



(Please scan this QR Code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS

Dated: September 22, 2024

100% Book Building Issue

(Please read Section 26 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with ROC)



SUBA HOTELS LIMITED

CORPORATE IDENTITY NUMBER: U99999GJ1997PLC120713

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Hotel Suba Star, Judges Bungalow Road, Near Akash Tower Bodakdev Ahmedabad-380 015, Gujarat, India	B2-1004, 10 th Floor, Marathon Innova Ganpatrao Kadam Marg, Opp Peninsula Park, Delisle Road, Lower Parel, Mumbai 400 013, Maharashtra, India.	Sonam Aggarwal, Company Secretary and Compliance Officer	Email: compliance@subahotels.com Tel: +91-2266820707	www.subahotels.com

OUR PROMOTERS: CLICK HOTELS PRIVATE LIMITED, MANSUR MEHTA AND MUBEEN MEHTA

DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Up to 65,70,000 Equity Shares of face value of ₹10 aggregating up to ₹ [●] lakhs*	Not Applicable	Up to 65,70,000 Equity Shares of face value of ₹10 aggregating up to ₹ [●] lakhs	This Issue is being made in terms of Regulation 229(2) and 253 of Chapter IX of the SEBI ICDR Regulations, 2018, as amended.

*Subject to finalization of Basis of Allotment

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDER-

Not Applicable

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each. The Floor Price, Cap Price and Issue Price (as determined by our Company in consultation with the Book Running Lead Manager ("BRLM") and in accordance with SEBI ICDR Regulations), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "Basis for Issue Price" on page 108 of this Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before making an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"); nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 33 of this Draft Red Herring Prospectus.


ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.


LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on Emerge Platform of NSE ("NSE EMERGE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received the "In-Principle" approval dated [●] from the NSE Emerge, which allows us to use its name in the issue document for listing of the Equity Shares. For the purpose of this Issue, the EMERGE platform of the National Stock Exchange of India Limited will be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

Logo	Name	Contact Person	Telephone and Email
	Unistone Capital Private Limited	Brijesh Parekh	Telephone: +91 224 604 6494 Email: mb@unistonecapital.com

REGISTRAR TO THE ISSUE

Logo	Name	Contact Person	Telephone and Email
	Bigshare Services Private Limited	Vinayak Morbale	Telephone: 022-62638200 Email: ipo@bigshareonline.com

BID / OFFER PROGRAMME*

ANCHOR INVESTOR BIDDING DATE/ ISSUE PERIOD	[●] ⁽¹⁾	BID/ISSUE OPENS ON	[●] ⁽¹⁾	BID/ISSUE CLOSES ON	[●] ^{(2) (3)}
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* Subject to the finalisation of the allotment

⁽¹⁾ Our Company, 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.

⁽²⁾ Our Company, in consultation with the BRLM, may 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.

⁽³⁾ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.



SUBA HOTELS LIMITED

Our Company was incorporated on October 23, 1997, under the Companies Act, 1956 with the corporate name “Trupti Supercaterers and Hotels Private Limited” on with a certificate of incorporation granted by the Registrar of Companies, Mumbai (“RoC Mumbai”). On May 21, 2008, the corporate name of our company was changed to “Trupti Caters and Hotels Private Limited” pursuant to a fresh certificate of incorporation granted by RoC Mumbai. On October 8, 2014, the name of our company was subsequently changed to “Hotel Suba Star Private Limited” pursuant to a fresh incorporation granted by RoC Mumbai and then on October 11, 2023, was further changed to “Suba Hotels Private Limited”. On conversion of our Company to a public limited company and pursuant to a resolution passed by our shareholders on October 30, 2023, the corporate name of our company was changed to “Suba Hotels Limited” and we obtained a fresh certificate of incorporation from the Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad (“RoC”) on November 17, 2023.

Corporate Identity Number: U99999GJ1997PTC120713

Registered Office: Hotel Suba Star, Judges Bungalow, Near Akash Tower, Bodakdev, Ahmedabad-380 015, Gujarat, India

Corporate Office: B2-1004, 10th Floor, Marathon Innova, Ganpatrao Kadam Marg, Opp Peninsula Park, Delisle Road, Lower Parel, Mumbai 400 013, Maharashtra, India

Contact Person: Sonam Aggarwal, Company Secretary and Compliance Officer

E-mail: compliance@subahotels.com; **Website:** www.subahotels.com **Telephone:** +91-2266820707

OUR PROMOTERS: CLICK HOTELS PRIVATE LIMITED, MANSUR MEHTA AND MUBEEN MEHTA

INITIAL PUBLIC ISSUE OF UPTO 65,70,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF SUBA HOTELS LIMITED (“SUBA” OR THE “COMPANY” OR THE “ISSUER”) AT AN ISSUE PRICE OF ₹ [●] /- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE) FOR CASH, AGGREGATING TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN ISSUE PRICE OF ₹ [●] /- PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE, LESS MARKET MAKER RESERVATION PORTION I.E., ISSUE OF [●] EQUITY SHARES FACE VALUE OF ₹10/- EACH, AT AN ISSUE PRICE OF ₹ [●] /- PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]%, AND [●]%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH. THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES

***Subject to finalization of Basis of Allotment.**

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the Book Running Lead Manager (“BRLM”), may for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of One Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank, as applicable

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the “SCRR”) read with Regulation 253 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), as amended, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”), the “QIB Portion”, provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investor) are required to mandatorily utilize the Application Support by Blocked Amount (“ASBA”) process, providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through ASBA process. For details, specific attention is invited to “Issue Procedure” on page 291 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public offer of our Company, there has been no formal market for Equity Shares. The face value of the Equity Shares is ₹10/- each. The Floor Price, Cap Price and Issue Price (as determined by our Company in consultation with the BRLM, and in accordance with SEBI ICDR Regulations), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in “Basis for Issue Price” on page 108 of this Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before making an investment decision in the Issue. For making an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 33 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of NSE (“NSE EMERGE”) in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. Our Company has received the “in-principle” approval dated [●] from the NSE Emerge, which allows us to use its name in the issue document for listing of the Equity Shares. For the purpose of this Issue, the EMERGE platform of the National Stock Exchange of India Limited will be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER



UNISTONE CAPITAL PRIVATE LIMITED

Address: 305, A Wing, Dynasty Business Park, Andheri Kurla Road, Andheri East,

Mumbai 400 059, Maharashtra, India

Telephone: + 91 224 604 6494

Facsimile: Not Applicable

Email: mb@unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Website: www.unistonecapital.com

Contact Person: Brijesh Parekh

SEBI Registration No: INM000012449

CIN: U65999MH2019PTC330850

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

Address: S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali

Caves Road, Andheri (East), Mumbai 400 093, Maharashtra, India

Telephone: 022-62638200

Facsimile: 022-63638280

Email: ipo@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact person: Vinayak Morbale

SEBI Registration No.: INR000001385

CIN: U99999MH1994PTC076534

BID/ISSUE PERIOD

ANCHOR DATE	INVESTOR BIDDING	[●] ⁽¹⁾	BID/ISSUE ON	[●] ⁽¹⁾	BID/ISSUE CLOSES ON	[●] ^{(2) (3)}
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***Subject to the finalisation of the allotment**

⁽¹⁾Our Company, 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 1 (one) Working Day prior to the Bid/ Issue Opening Date.

⁽²⁾Our Company, in consultation with the BRLM, may 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

⁽³⁾UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification, as amended, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations framed thereunder.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies in India", "Statement of Special Tax Benefits", "Basis for Issue Price", "Financial Information", "Outstanding Litigation and Material Developments", "Restriction on Foreign Ownership of Indian Securities", "Issue Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 118, 176, 114, 210, 108, 210, 253, 323, 291 and 325 of this Draft Red Herring Prospectus, respectively, will have the meaning ascribed to them in the relevant section.

GENERAL TERMS

Term	Description
Suba Hotels Limited/ Suba Hotels/ SHL/ Our Company/The Issuer/ Issuer Company	Suba Hotels Limited, a public limited Company incorporated under the Companies Act, 1956 and having its Registered Office at Hotel Suba Star, Judges Bungalow Road, Near Akash Tower, Bodakdev, Ahmedabad 380 015, Gujarat, India.
We/ Us/ Our	Unless the context otherwise indicates or implies, refers to our Company.

COMPANY RELATED TERMS

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board constituted in accordance with applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "Our Management – Committees of our Board" on page 194 of this Draft Red Herring Prospectus.
Auditor / Statutory Auditor / Peer Review Auditor	The statutory auditor and peer reviewed auditor of our Company, being Shah & Taparia, Chartered Accountants.
Bankers(s) to our Company	The bank(s) disclosed in the section titled "General Information – Bankers to our Company" on page 74 of this Draft Red Herring Prospectus
Board / Board of Directors	The board of directors of our Company. For further details of our directors, please refer to chapter titled "Our Management – Board of Directors" on page 188 of this Draft Red Herring Prospectus
Chairman and Managing Director	The chairman of Our Company, being Mansur Mehta. For details, see "Our Management" on page 188 of this Draft Red Herring Prospectus.
Chief Executive Officer/CEO	Chief executive officer of our Company, being Mubeen Mehta. For details, see "Our Management" on page 188 of this Draft Red Herring Prospectus.
Chief Financial Officer / CFO	Chief financial officer of our Company, being Darshan Shah. For details, see "Our Management" on page 188 of this Draft Red Herring Prospectus.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, being Sonam Aggarwal. For details, see "Our Management" on page 188 of this Draft Red Herring Prospectus.
Corporate Social Responsibility Committee/ CSR Committee	The corporate social responsibility committee of our Board constituted in accordance with applicable provisions of the Companies Act, 2013, as described in "Our Management- Committees of our Board" on page 194

Term	Description
	of this Draft Red Herring Prospectus
Corporate Office	The Corporate Office of our Company is located at B2-1004, 10 th Floor, Marathon Innova, Ganpatrao Kadam Marg, Opp. Peninsula Park, Delisle Road, Lower Parel, Mumbai 400 013, Maharashtra, India.
Composite Scheme of Arrangement/ Composite Scheme of Amalgamation and Demerger	Composite Scheme of Amalgamation and Demerger, which was approved by the NCLT, Ahmedabad vide their order dated March 15, 2023. pursuant to which, Zircon Hospitality Private Limited (Transferor I), Zircon Hotels Private Limited (Transferor II), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite (Demerged Entity) amalgamated with our Company (Transferee)
Director(s)	The director(s) on the Board of our Company as described in “ <i>Our Management-Board of Directors</i> ” on page 188 of this Draft Red Herring Prospectus.
Equity Shares/ Shares	The equity shares of our Company of face value of ₹10 each, unless otherwise specified in the context thereof
Equity Shareholders/ Shareholders	Persons/ entities holding Equity Shares of our Company.
Executive Director(s)	Executive Director(s) shall include Managing Director and Whole-time Director(s) on the Board of our Company, as described in “ <i>Our Management – Board of Directors</i> ” on page 188 of this Draft Red Herring Prospectus.
Group Companies	In terms of the SEBI ICDR Regulations, the term ‘group companies’ includes companies (other than our Subsidiaries) with which there were related party transactions in accordance with AS 18 as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in “ <i>Our Group Companies</i> ” on page 206 of this Draft Red Herring Prospectus.
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
Indian GAAP	Generally Acceptable Accounting Principles in India
Independent Director(s)	The independent director(s) of our Company, and who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and SEBI Listing Regulations, as described in “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
IT Act	The Income Tax Act, 1961 as amended.
JLL Report	The Industry Report on “Indian Hospitality Industry Overview” dated July 2024 prepared by Jones Lang LaSalle Property Consultants (India) Private Limited (and is available on our Company’s website at www.subahotels.com)
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties, which otherwise retain their distinct identities
Key Managerial Personnel / KMP	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as described in “ <i>Our Management – Key Managerial Personnel</i> ” on page 188 of this Draft Red Herring Prospectus.
KPI(s)	Key factors that determine the performance of our Company.
MD / Managing Director	The Managing Director of our Company, being Mansur Mehta. For details, see “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board on June 4, 2024, for identification of material (a) outstanding litigations proceedings; (b) group companies and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purpose of disclosure in the Draft Red Herring Prospectus.
MoA /Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Non-executive Non-Independent Director(s)	A director, not being an Executive Director (other than the Independent Directors) of our Company, as described in “ <i>Our Management – Board of Directors</i> ” on page 188 of this Draft Red Herring Prospectus.

Term	Description
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board</i> ” on page 194 of this Draft Red Herring Prospectus.
Promoter(s)	The Promoter(s) of our Company, being Click Hotels Private Limited, Mansur Mehta, Mubeen Mehta and as described in “ <i>Our Promoters and Promoter Group</i> ” on page 201 of this Draft Red Herring Prospectus.
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 201 of this Draft Red Herring Prospectus.
Registered Office	The registered office of our Company is situated at Hotel Suba Star, Judges Bungalow Road, near Akash Tower Bodakdev Ahmedabad-380015, Gujarat, India.
Registrar of Companies or RoC	The Registrar of Companies, Ahmedabad, situated at Gujarat.
Restated Financial Information / Restated Financial Statements / Restated Consolidated Financial Statements / Restated Consolidated Financial Information	<p>The restated financial statements of our Company and Subsidiary comprising the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, and the restated consolidated profit & loss account and restated consolidated cash flows for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 read together with summary statement of significant accounting policies, annexures and notes thereto, of our Company, prepared in accordance with Indian Generally Accepted Principles (IGAAP) and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.</p> <p>For details, see “<i>Restated Financial Information</i>” on page 210 of this Draft Red Herring Prospectus.</p>
Shareholders	Equity Shareholders of our Company from time to time
Senior Management Personnel or SMP	Senior Management Personnel of our Company in accordance with regulation 2(1) (bbbb) of the SEBI ICDR Regulations, as described in “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board constituted in accordance with applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as applicable, described in “ <i>Our Management</i> ” on page 188 of Our Management – Committees of our Board this Draft Red Herring Prospectus
Subsidiaries	Suba Hospitality FZCO and Click Rooms Hotel Management LLC being the Subsidiaries of our Company as described in “ <i>Our Subsidiaries</i> ” on page 186 of this Draft Red Herring Prospectus
Whole-time Director(s) / WTD	Director(s) in the whole-time employment of our Company as described in “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid Cum Application Form
Allotment / Allot / Allotted of Equity Shares	Unless the context otherwise requires, means the allotment of the Equity Shares Offered pursuant to the fresh Issue.
Allotment Advice	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the

Term	Description
	approval of the Basis of Allotment by the Designated Stock Exchange
Allottee(s)	A Successful Bidder(s) to whom the Equity Shares are being/ have been allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who has Bid for an amount of at least ₹200.00 lakhs
Anchor Investor Allocation Price	The price at which Equity Shares of face value of ₹10 each will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issuer Period	The date, one Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Pay- In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLM, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application	An indication to make an application during the Issue Period by a Bidder/ Applicant, pursuant to submission of Application Form, to subscribe for or purchase the Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Bidders/ Applicant on submission of the Application Form.
Application Form	The Form in terms of which the Bidder/ Applicant shall apply for the Equity Shares in the Issue.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidder to make a Bid and authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include application made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with a SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidder for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Any prospective investors in this Issue who applies for the Equity Shares through the ASBA process, except Anchor Investors in terms of this Draft Red Herring Prospectus

Term	Description
ASBA Application/ ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account Bank(s) and the Sponsor Bank(s), as the case may be
Banker to the Issue Agreement / Public Issue Account and Sponsor Bank	The agreement to be entered into amongst our Company, the Syndicate Members, the Registrar to the Issue, the BRLM, and the Banker(s) to the Issue for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Issue Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, as described in the section titled, “ <i>Issue Procedure</i> ” on page 291 of this Draft Red Herring Prospectus.
Bid	An indication by an ASBA Bidder to make Bid during the Bid/Issue Period, pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly.
Bidder / Investor	Any prospective investor who makes an application pursuant to the terms of this Draft Red Herring Prospectus and the Bid cum Application Form.
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue, as applicable. In the case of Retail Investors Bidding at the Cut off Price, the Cap Price is multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and all editions of [●] (a widely circulated Gujarati national daily newspaper, Gujarati also being the regional language of Gujarat, where our Registered Office is located) and in case of any revisions, the extended Bid/Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by indicating the change on the websites of the BRLM and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations</p> <p>Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for the QIB Category, one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations</p>
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati national daily newspaper, Gujarati also being the regional language of Gujarat, where our Registered Office is

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	located), and in case of any revision, the extended Bid/Issue Opening Date also be widely disseminated by notification to the Stock Exchange by issuing a public notice and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/Issue Period	Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the BRLM may consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bidders/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
Bidding	The process of making a Bid
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager/ BRLM	The book running lead manager to the Issue, being Unistone Capital Private Limited
Broker Centers	Broker centers are notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com .
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The note or advice or intimation of allocation of the Equity Shares sent to each successful Bidder, who has been or is to be Allotted the Equity Shares, after approval of the Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band (subject to any revisions thereto), i.e. ₹ [●] per Equity Share, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revision thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
CDP(s)/Collecting Depository Participant(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , as updated from time to time.
Circulars on Streamlining of Public Issues	Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular No SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular No SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI, as amended or modified by SEBI from time to time, including Circular No SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April

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	3, 2019, Circular No SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and any other circular issued by SEBI or any other governmental authority in relation thereto from time to time
Client ID	Client Identification Number maintained with the Depositories in relation to demat account.
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the list available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , as updated from time to time.
Collecting Depository Participant(s) / CDPs	A depository participant, as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and the UPI Circulars issued by SEBI as per the list available on the website of Stock Exchanges www.bseindia.com and www.nseindia.com , as updated from time to time.
Controlling Branches/ Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidder with the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	The Issue Price, which shall be any price within the Price Band. finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Issue Closing Date.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidder's husband/ father, investor status, occupation, bank account details and UPI ID, as applicable
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/ DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com and www.nseindia.com http://www.bseindia.com/ as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs (not using the UPI Mechanism) authorizing a SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders (Bidding using the UPI Mechanism) where the Bid Amount blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism,

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	Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.
Designated Market Maker	In our case being, [●]
Designated RTA Locations	Such locations of the RTAs where ASBA Bidder can submit the ASBA Forms, to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of NSE Limited, www.nseindia.com , respectively) as updated from time to time
Designated Stock Exchange	The EMERGE Platform of the National Stock Exchange of India Limited
Draft Red Herring Prospectus/ DRHP	This Draft Red Herring Prospectus dated September 22, 2024, filed with the EMERGE Platform of NSE in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable
Equity Shares	Equity Shares of our Company of face value ₹10 each.
Escrow Account(s)	The no-lien and non-interest-bearing account(s) to be opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
Escrow Collection Bank	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) (registered with SEBI)
First / Sole Bidder	The Bidder whose name shall be mentioned in the Bid Cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, i.e. ₹[●] subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor under the SEBI (Foreign Portfolio Investors) Regulations, 2014,
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender as defined under Section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 2(1)(p) of the SEBI ICDR Regulations
General Corporate Purposes	Includes such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose

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	or any such purpose by whatever name called, in the Issue document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the Issue document.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue Closing Date	The date on which the Issue closes for subscription, being [●]
Issue Opening Date	The date on which the Issue opens for subscription, being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective bidders can submit their applications, including any revisions thereof
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “Objects of the Issue” on page 95 of this Draft Red Herring Prospectus
Issue Agreement	The agreement dated September 22, 2024 among our Company, and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful bidders.
Market Making Agreement	Market Making Agreement dated [●], between [●] our company
Market Making Reservation Portion	[●] Equity Shares of ₹10 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakh reserved for subscription by the Market Maker.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4-0 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted Post- Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked- in for a period of three years from the date of Allotment.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	The portion of the Issue being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹10 each, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue, excluding the Market Maker Reservation Portion of upto [●] Equity Shares of face value of ₹ 10 each fully paid up for cash at a price of ₹[●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakh by our Company.

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Net Proceeds	The Proceeds of the Issue, less the Issue related expenses, received by our Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Category/ Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares of face value of ₹10 each, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹[●] and up to ₹[●] and two-thirds shall be available for allocation to Bidders with an application size of more than ₹[●], provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Issue Price.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India and Indian Banks Association (IBA)
Non-Institutional Investors / NIIs/ Non-Institutional Bidders/ NIBs	Bidders that are not QIBs or RIIs and who have applied for Equity Shares for an amount of more than ₹2.00 lakh (but not including NRIs other than Eligible NRIs).
Non-Resident Indian or NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs and FVCIs registered with SEBI
NSE Emerge	Emerge Platform of the National Stock Exchange of India Limited (“ NSE EMERGE ”)
Other Investor	Investors, other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors, including corporate bodies or institutions irrespective of the number of specified securities applied for
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under such Regulations. OCBs are not allowed to invest in this Issue.
Pay-in Period	The period commencing on the Bid/ Issue Opening date and extended till the closure of the Anchor Investor Pay-in Date
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus dated [●] which shall be filed with the RoC on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and SEBI ICDR Regulations, inter alia, including the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum Price of ₹[●] per Equity Share (Cap Price) and includes revisions thereof, if any. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of an English national daily newspaper [●], all editions of a Hindi national daily newspaper [●] and all editions of a Gujarati newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered is located), each with wide circulation, at least two Working Days prior to

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	the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on its website
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Public Issue Account(s)	The Bank Account opened with the Banker to this issue under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Issue Account Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened.
QIB Portion	The portion of the Issue being not more than 50% of the Issue or [●] Equity Shares of face value of ₹ 10 each, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the ROC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the ROC after the Pricing Date.
Refund Account(s)	The 'no lien' and 'non-interest bearing' account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	Bank which is/ are clearing member(s) and registered with the SEBI as the Banker to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and available on the websites of NSE at www.nseindia.com and BSE at www.bseindia.com
Registrar to the Issue / RTA / Registrar	Registrar to the Issue in our case being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated August 29, 2024, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue.
Reserved Category(ies)	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors(s) / Retail Individual Bidder(s) / RII(s) / RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount which is not more than ₹2.00 lakhs in any of the bidding options in the Issue (including HUFs applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2.00 lakhs in this Issue.
Revision Form	<p>The form used by the Bidders to modify the quantity of Equity Shares or the Application Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.</p> <p>QIB and Non-Institutional Bidders are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Bids</p>

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	during the Issue Period or withdraw their Bids until Issue Closing Date.
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps), whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI Mechanism appears in the “list of mobile applications for using UPI in Public Issues” displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 .
Securities Law	Means the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus
Sponsor Bank(s)	[●], being Banker(s) to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate to collect requests and/or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
SME Exchange/ Stock Exchange	Unless the context requires otherwise, refers to the EMERGE Platform of the National Stock Exchange of India Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate and our Company
Syndicate Member(s)	Syndicate Members to this Issue being [●]
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	Underwriter to the Issue being [●]
Underwriting Agreement	The Agreement dated [●] entered amongst our Company, BRLM and the Underwriter
Unified Payments Interface / UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank account.
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5,00,000 in the Non-Institutional Portion,

Term	Description
	and Bidding under the UPI Mechanism. Pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the Bid cum-Application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	Circular No SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular No SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular No SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular No SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular No SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular No SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, Circular No SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular) SEBI Master Circular with Circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI Circular No SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchange in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a RII to make an Application in the Issue in accordance with SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI Circular No. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI Circular No. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Ahmedabad, Gujarat, India are

Term	Description
	open for business; provided, however, with reference to (a) announcement of Price Band and (b) Bid/Issue Period, the expression “Working Day” shall mean all days on which commercial banks in Ahmedabad, Gujarat, India are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, the expression Working Day shall mean all trading days of the Stock Exchange excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

Industry and Business-Related Terms or Abbreviations

Term	Description
AAI	Airport Authority of India
ADR	Average Daily Rate
APAC	Asia Pacific
BFSI	Banking, Financial Services and Insurance
CAD	Current Account Deficit
CCS	Consumer Confidence Survey
CLAP	Comprehensive Logistics Action Plan
CPI	Consumer Price Index
CSI	Current Situation Index
DPITT	Department for Promotion of Industry and Internal Trade
EMDE	Emerging Market and Developing Economies
EXIM	Export-Import Bank of India
F & B Services	Food and beverage service
FDI	Foreign Direct Investment
FEI	Future Expectations Index
FMCG	Fast-moving consumer goods
GCC	Global Capacity Centres
GDP	Gross Domestic Product
GRETI	Global Real Estate Transparency Index
GVA	Gross Value Added
HVAC systems	Heating, ventilation, and air conditioning systems
IIG	India Investment Grid
IMF	International Monetary Fund
ISRO	Indian Space Research Organisation
IT/ITES	Information Technology Enabled Services
IWT	Inland Water Transport
LED	Light Emitting Diode
MICE	Meetings, Incentives, Conferences and Exhibitions
MIHAN	Multi-modal International Cargo Hub and Airport in Nagpur
MoSPI	Ministry of Statistics and Program Implementation
MPC	Monetary Policy Committee
NH	National Highways
NHDP	National Highways Development Project
NIP	National Infrastructure Pipeline
NLP	National Logistics Policy
NMP	PM Gati Shakti National Master Plan
NMP	National Monetization Pipeline
NSO	National Statistical Office
OTAs	Online Travel Agents
OTM	Operations and Technology Management
PMS	Property Management System
PPPs	Public-Private Partnerships
PSUs	Public Sector Undertakings
RBI	Reserve Bank of India
RevPAR	revenue per available room

Term	Description
ROI	Return on Investment
SATTHE	South Asia's Travel & Tourism Exchange
TPC	Transmit Power Control
UAE	United Arab Emirates
UDAAN	Ude Desh ka Aam Nagarik
UK	United Kingdom
UN	United Nations
VGF	Viability gap funding
VRV	Variable Refrigerant Volume
WSA	Way Side Amenities
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

Conventional Terms / General Terms / Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
AGM	Annual General Meeting
Alternative Investment Funds / AIFs	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
AMC	Annual Maintenance Contract
Arbitration Act	The Arbitration and Conciliation Act, 1996
Average Daily Rate / ADR (₹)	Average Daily Rate represents room revenues during a given period/year divided by total number of room sold in that period/year
Average Occupancy	Average occupancy is calculated as number of rooms sold during a relevant period/year divided by the number of rooms available during the same period/year and is a measure of our revenue generation capabilities over a period of time
AS or Accounting Standards	Accounting Standards as notified by Companies (Accounting Standards) Rules, 2016
ASBA	Application Supported by Blocked Accounts
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Bn/ bn	Billions
Banking Regulations Act	The Banking Regulation Act, 1949
BSE	The BSE Limited
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs registered as “Category I alternative investment funds” under the SEBI AIF Regulations
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs registered as “Category II alternative investment funds” under the SEBI AIF Regulations
Category II FPIs	An FPI registered as a Category II Foreign Portfolio Investor under the SEBI FPI regulations
Category III AIF	AIFs registered as “Category III alternative investment funds” under the SEBI AIF Regulations.
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CGST	Central GST
CIN	Corporate Identification Number
Civil Code	The Code of Civil Procedure, 1908
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder

Term	Description
Companies Act, 2013/ Companies Act	The Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2019
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Consumer Protection Act/ COPRA	The Consumer Protection Act, 1986
Consumer Protection Act	The consumer protection Act, 2019
Contract Act	The Indian Contract Act, 1872
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CSR	Corporate Social Responsibility
CY/ Year	Unless the context otherwise requires, shall mean the twelve-month period ending December 31
CST	Central Sales Tax
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
DGFT	Director General of Foreign Trade, Ministry of Commerce
DIN	Director Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DCT	Direct Tax Code, 2013
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EBITDA Margin	EBITDA divided by total income
EGM	Extraordinary General Meeting
Environment Protection Act	The Environment (Protection) Act, 1986
EPS	Earnings Per Share
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Investment
ESI Act	The Employees' State Insurance Act, 1948
e-RUPI	contactless, prepaid, electronic prepaid system
ER Act	The Equal Remuneration Act, 1976
FCNR	Foreign Currency Non-Resident
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and the regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
Financial Year(s) or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
F&O	Future Options
FII(s)	Foreign Institutional Investors registered with SEBI pursuant to the SEBI FPI Regulations
FIPB	Foreign Investment Promoter Board
FOF	Fund of Funds
FPIs	Foreign Portfolio Investors registered with SEBI pursuant to SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors registered with SEBI pursuant to the SEBI FVCI Regulations

Term	Description
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI/ Central Government	The Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods and Services Tax
Hazardous Waste Rules	Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016
HNI	High Net Worth Individual
HUF(s)	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India as updated from time to time
ICCI	Indian Clearing Corporation Limited
ICSI	The Institute of Company Secretaries of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act / IT Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP / IGAAP / GAAP	Generally Acceptable Accounting Principles notified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounting) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016
IPR	Intellectual Property Rights
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT Act	Information Technology Act, 2000
IPO	Initial Public Offering
KMP	Key Managerial Personnel
KPI	Key Performance Indicator
KYC	Know Your Customer
Lacs	Lakhs
Ltd	Limited
Listing Agreement	The agreement to be entered into between our Company and the Stock Exchange in relation to listing of the Equity Shares on such Stock Exchange
MCA / Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India
MIM	Multi Investment Manager
Mn / mn	Million
MSME	Micro, Small and Medium Enterprises
MSMED	The Micro, Small and Medium Enterprise Development Act, 2006
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
NBFC	Non-banking Financial Company
NBFC-SI/ Systemically Important NBFCs	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
NCLT	The National Company Law Tribunal
NEFT	National Electronic Funds Transfer
NI Act	The Negotiable Instruments Act, 1881

Term	Description
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NR or Non-Resident	A person resident outside India, as defined under FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE	Non-resident External
NRE Account	Non-Resident External Account established and operated in accordance with FEMA
NRI	Non-Resident Indian
NRO	Non-Resident Ordinary
NRO	Non-Resident Ordinary Account established and operated in accordance with FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
OCI	Other Comprehensive Income
P&L	Profit and loss account
p.a.	Per annum
PAT	Profit after tax
PAT Margin	PAT for the period/ year divided by revenue from operations
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
Patents Act	Patents Act, 1970
PFRDA	Pension Fund Regulatory and Development Authority
Public Liability Act/ PLI Act	The Public Liability Insurance Act, 1991
Pvt. / (P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investors(s) as defined under the SEBI FPI Regulations
QIC	Quarterly Income Certificate
Q&A	Questions & answers
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Registration Act	The Indian Registration Act, 1908
RoDTEP	Remission of Duties and Taxes on Exported Products
RoC	The Registrar of Companies
RoCE	Return on Capital Employed
ROE	Return on Equity
RoNW	Return on Net Worth
RoW	Rest of the World
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended

Term	Description
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
SEBI RTA Master Circular	SEBI Master Circular bearing No SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
SGST	State GST
SHWW/ SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SME	Small and Medium Enterprise
Sq. ft. / sq. ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The Government of a State of India
STT	Securities Transaction Tax
Supreme Court	The Supreme Court of India
TAN	Tax Deduction and Collection Account Number
TDS	Tax deducted at source
Trademarks Act	Trade Marks Act, 1999, as amended
UPI	Unified Payments Interface
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. QIBs	Persons that are “qualified institutional buyers”, as defined in Rule 144A of the US Securities Act
USA / United States of America / US	The United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
UK	United Kingdom
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 (now repealed) or the SEBI AIF Regulations, as the case may be.
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wages Act	Payment of Wages Act, 1936
WCA	The Workmen’s Compensation Act, 1923

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable. All references in this Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the “United States of America”.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, unless the context otherwise indicates or implies, refers to “Suba Hotels Limited”.

Financial Data

Unless the context otherwise requires or indicates, the financial information, financial ratios and any percentages amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of the Financial Condition and Results of Operations*” on page 33, 155 and 244, respectively, and elsewhere in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. Our Restated Financial Statements included in this Draft Red Herring Prospectus comprises of the Restated Consolidated statement of assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Consolidated Profit & Loss Account and Restated Consolidated Cash Flows for the financial years ended March 31, 2024; March 31, 2023; and March 31, 2022 read together with summary statement of significant accounting policies, annexures and notes thereto, of our Company, each prepared in accordance with Indian GAAP (“**IGAAP**”), and restated by the Company in accordance with the requirements of Section 26 of Part I of the Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, each as amended.

For further information on Our Company’s financial information see “*Restated Financial Information*” on page 210 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year of Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” on pages 33, 155 and 244, respectively of this Draft Red Herring Prospectus and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts based on or derived from our Restated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures, unless otherwise specified, have been rounded off to the second decimal place and accordingly there may be consequential changes in this Draft

Red Herring Prospectus on account of rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. In addition, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Currency and Units of Presentation

All references to:

- “**Rupees**” or “**₹**” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India;
- “**U.S.\$**”, “**U.S. Dollar**”, “**USD**” or “**U.S. Dollars**” are to United States Dollars, the official currency of the United States of America, and
- “**AED**” or “**Dirham**” are to United Arab Emirates Dirham, the official currency of the United Arab Emirates.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, except where specifically indicated. One lakh represents 1,00,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand".

Industry and Market Data

Unless otherwise stated, the industry, market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained or derived from the “*Indian Hospitality Industry Overview*” dated July 2024 (“**JLL report**”) which has been prepared and released by Jones Lang LaSalle Property Consultants (India) Private Limited (“**JLL**”) and exclusively commissioned and paid by our Company pursuant to an engagement letter dated August 22, 2023, entered into between JLL and our Company, for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Issue. The JLL report shall be available on the website of our Company, until the Issue Closing date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the JLL Report and included in this Draft Red Herring Prospectus with respect to any particular year, refers to such information for the relevant calendar year. JLL is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management or the BRLM.

For details of risks in relation to the commissioned report, see “*Risk Factors-Risk Factor 39- Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited, exclusively commissioned and paid for by us for such purpose*” on page 56 of this Draft Red Herring Prospectus.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified or re-ordered by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. There is no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

The disclaimer clause as provided by JLL to give effect to the above is reproduced as hereunder:

This Indian Hospitality Industry Report is prepared for the sole use of Suba Hotels Limited and no responsibility and/or liability is accepted to any other party for the whole or any part of its contents. Suba Hotels Private Limited may choose to share the report and/or may include data / information extract from the report in documents prepared in connection with the Issue in the draft red herring prospectus to be filed the SME platform of NSE (“NSE EMEGRE”) where the Equity Shares are proposed to be listed, the red herring prospectus and the prospectus to be filed with the Registrar of Companies, Gujarat at Ahmedabad, Securities and Exchange Board of India and the National Stock Exchange of India Limited or any other document to be issued or filed in relation to the Issue in the form and context in which they are included, including in any presentation issued by Suba

Hotels Limited, for a period of one year after the issuance of the Report.

It is expressly clarified that JLL shall not be named or construed as an 'Expert' in any manner whatsoever in accordance with the applicable provisions of the Companies Act, 2013 or any applicable laws, in relation to the statements contained in the Reports and proposed to be included in the draft red herring prospectus, red herring prospectus and prospectus, and any other documents to be issued in relation to the Issue.

Given the confidential nature of the Report pertaining to Indian Hospitality Industry, which are privately transacted in actuality, are not in the public domain, the Report is prepared with the intend that the same shall restricted to be used by Suba Hotels Limited for the above-mentioned purpose only by adherence to the confidentiality as is expected to be maintained by Suba Hotels Limited.

Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. The data and/or information provided and/or utilized in the report for the purposes of analysis have been done on best effort and knowledge basis.

The information in this document reflects prevailing conditions and It's view as of this date, all of which are, accordingly, subject to change. In preparing this document, LL has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Markets being dynamic, should any information or projection changes in the future or do not prevail, JLL shall not accept any liability of any nature pertaining for the same, including and not restricting and claims, demand, damages, expenses, losses from Registrar of Companies, Gujarat at Ahmedabad, Securities and Exchange Board of India and the National Stock Exchange of India Limited or any other third party(ies) who would rely or have a reliance to this Report.

JLL is providing this report for information purposes only. JLL would like to highlight that this report does not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential investor or any other person. It is intended to be used as a reference only and does not constitute advice, including without limitation, investment, legal, tax and financial or any other type of expert advice. Any recipient of this report, must, however, make its independent assessment of the various investment options with regard to the relevance and the adequacy of the information contained herein, and should make the investigations it deems necessary. Neither JLL nor any of its officers or employees accept any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents.

Time

Unless otherwise specified, any reference to time in this Draft Red Herring Prospectus are to Indian Standard Time ("IST").

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of USD into Indian Rupees for the periods indicated are provided below:

(in ₹)

Currency	Exchange Rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37*	82.22	75.81
1 AED	22.69	22.36	20.55

**If the RBI reference rate is not available on a particular date due to a public holiday, the previous working day not being a public holiday has been considered.*

Source: www.rbi.com and www.oanda.com

Note: The reference rates are rounded off to two decimal places.

Notice to Prospective Investors

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of

this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold outside of the United States to investors in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. See “*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*” on page 272.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”

These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “seek to”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, result of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- 1. A large portion of our revenue is realised from our Owned Hotels and revenue share and lease, contributing approximately 32.38 % and 51.27 %, respectively for the financial year 2024 of the revenue from operations in key geographies and any adverse developments affecting these hotels or the regions in which they operate, could have an adverse effect on our business, results of operation, cash flows and financial condition.*
- 2. We derive a significant portion of our room revenue from corporate and leisure accounts from our owned and revenue share and lease hotels. Changes in travellers’ preferences due to increased use of telepresence equipment, cost of travel, spending habits, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows*
- 3. Certain of our hotels which we operate are leased from third parties. If we are unable to comply with the terms of the lease or license agreements, renew our agreements or enter into new agreements on favourable terms, or at all, our business, results of operations and financial condition and cash flows may be adversely affected*
- 4. We have entered into master franchise agreement dated May 13, 2022 with Choice Hotels Licensing B.V. for three brands of Choice Hotels in India - Clarion (upscale), Quality (upper midscale) and Comfort (midscale). For the Financial Year 2024, our hotels franchised under MFA of Choice Hotels - contributed 12.94 % to our revenue from operations. If these agreements are terminated or not renewed, our business, results of operations and financial condition may be adversely affected*
- 5. Certain portion of our hotel bookings (average 22.80% of room revenue for financial year 2024) originate from online travel agents and intermediaries. In the event such online travel agents and intermediaries continue to gain market share compared to our direct booking channels; they may be able to negotiate higher commissions for services provided, or demand significant concessions or reduced room rates causing an adverse effect on our margins, business, and results of operations*

For a discussion regarding factors that could cause actual results to differ from our estimates and expectations, see “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 118, 155, and 244, respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Applicants that the expectations reflected in these forward-looking statements will

prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's beliefs, assumptions, current plans estimate, expectations and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Promoters, our Directors, Book Running Lead Manger nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of the SEBI ICDR Regulations, our Company shall ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchange.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Management’s discussion and analysis of financial position and results of operations*”, “*Restated Financial Statements*”, “*Outstanding Litigation and Material Developments*”, “*Issue Procedure*”, and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 33, 69, 83, 95, 118, 155, 244, 210, 253, 291 and 325, respectively of this Draft Red Herring Prospectus.

Summary of Business

We are one of India’s largest domestic hotel chains in the mid-market sector with 79 operational hotels as of July 2024, comprising 3,744 keys across 51 cities, majority of which are located in emerging markets in tier 2 and 3 cities. We also have a portfolio of 35 hotels in the pre-opening phase, encompassing 1,661 rooms (Source: JLL Report). We operate in the mid-market hotel sector, consisting of upscale, upper-midscale, midscale brands. We primarily cater to guests across business, leisure, and religious tourism, delivering superior service standards at attractive price points. Our hotel portfolio has a diverse range of business models, including owned, managed, revenue share & lease, and franchised properties.

For further details, please see “*Our Business*” on page 155 of this Draft Red Herring Prospectus.

Summary of Industry

India stands as the most populous country in the world with an estimated population of 1.44 billion people. It is worth noting that international demand made up a modest 5% of the total, while domestic demand accounted for the remaining 95%, showcasing the country's strong domestic tourism market. The Indian tourism industry is anticipated to grow at a CAGR of 8.65% between 2021 and 2034 and is anticipated to reach a total value of USD 523.6 billion. As of 31st May 2024, India has over ~389,000 keys comprising branded hotels, independently run hotels and aggregators. While branded supply includes hotels which are managed by hotel operating chains, independently run hotels are typically owned and managed by the same entity. (Source: JLL Report)

For further details, please see “*Industry Overview*” on page 118 of this Draft Red Herring Prospectus.

Names of our Promoters

Click Hotels Private Limited, Mansur Mehta and Mubeen Mehta are the Promoters of our Company. For further details, see “*Our Promoter and Promoter Group*” on page 201 of this Draft Red Herring Prospectus.

Issue Size

Issue⁽¹⁾⁽²⁾	Up to 65,70,000 Equity Shares of ₹10 each for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs.
Of which	
Market Maker Reservation Portion	[●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs.
Net Issue to the Public	Up to [●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs.

(1) The Issue has been authorized by our Board pursuant to resolution passed at its meeting held on August 09, 2024, and the Shareholders have authorised the Issue pursuant to a special resolution passed on August 23, 2024

The price band will be decided by our Company in consultation with the BRLM and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and all editions of [●] (a widely circulated Gujarati national daily newspaper, Gujarati also being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least 2 (two) working days prior to the Bid/ Issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the EMERGE platform of NSE for

the purpose of uploading on their website. For further details Section “*Terms of the Issue*” on page 280 of this Draft Red Herring Prospectus.

For further details, see “*The Issue*”, “*Issue Structure*” and “*Issue Procedure*” on pages 69, 287 and 291 of this Draft Red Herring Prospectus.

Objects of the Issue

The fund requirements for each of the Objects of the Issue are stated as below:

The details of the proceeds from the Issue are summarised in the following table:

(₹ in lakhs)

Particulars	Estimated Amount ⁽¹⁾
Gross proceeds of the Issue	[●]
(less) Issue Expenses ⁽²⁾	[●]
Net Proceeds of the Issue	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

⁽²⁾ For details, please see “*Issue related expenses*” on page 106 of this Draft Red Herring Prospectus

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(₹ in Lakhs)

Particulars	Amount
Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises	6,004.87
General Corporate Purposes ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(₹ in Lakhs)

Particulars	Total estimated cost	Total amount spent on the objects September 19, 2024 ⁽¹⁾	Total estimated amount from Net Proceeds	Year wise break-up of the expenditure	
				Fiscal 2025	Fiscal 2026
Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises ⁽¹⁾⁽³⁾⁽⁴⁾	6,004.87	[●]	6,004.87	2,202.71	3,802.16
General Corporate Purposes ⁽²⁾	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

⁽¹⁾ As certified by M/s. Shah & Taparia, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 19, 2024.

⁽²⁾ To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

⁽³⁾ Total estimated cost as per Structural Engineer certificates dated September 11, 2024 issued by M/s. FRAMES., (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwalla), Independent Structural Engineer.

⁽⁴⁾ Total estimated cost as per Independent Architect certificates dated September 12, 2024, issued by M/s. O & A. Architects, (Proprietorship firm of Obaid Aziz Hakim), Independent Architect.

For further details, see “*Objects of the Issue*” on page 95 of this Draft Red Herring Prospectus.

Aggregate Pre-Issue shareholding of our Promoters, Promoter Group

The aggregate Pre-Issue shareholding of our Promoters and Promoter Group as on the date of the Draft Red Herring Prospectus, as a percentage of the Pre-Issue paid-up Equity Share capital of our Company, is set out below:

No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-issue paid up Equity Share capital (%)*
Promoters			
1.	Click Hotels Private Limited	73,87,805	42.35
2.	Mansur Mehta	68,30,729	39.16
3.	Mubeen Mehta	2,76,969	41.59
Sub Total (A)		1,44,95,503	83.10
Promoter Group			
4.	Shabnam Mehta	2,76,639	1.59
5.	Rahima Mehta	4	Negligible
6.	Hajra Mehta	4	Negligible
Sub Total (B)		2,76,647	1.59
Total (A+B)		1,47,72,150	84.69

For further details, see “Capital Structure” on page 83 of this Draft Red Herring Prospectus.

Summary of Restated Financial Statements

(₹ in lakhs, except per share data)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	475.73	475.73*	475.73*
Net worth	3,274.95	2162.37	1849.78
Total Income (including other Income)	5,299.61	3,519.86	2,024.34
Profit after tax	895.87	278.32	142.76
Earnings per Share			
- Basic (Post-Bonus)	5.61	1.87	0.96
- Diluted (Post-Bonus)	5.61	1.87	0.96
Net Asset Value per Share (Pre-Bonus)	98.52	105.27	92.78
Net Asset Value per Share (Post-Bonus)	20.25	15.73	13.86
Total Borrowings	4,591.84	4,609.20	4,198.42

*Include 25,28,767 Equity shares held under share suspense-pursuant to NCLT order. Please refer “Restated Financial statements” on page 28.

Notes:

1. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.
2. Basic earnings per Equity Share (₹) = Restated profit/ (loss) attributed to Equity Shareholders of our Company for the period/ year divided by weighted average number of Equity Shares outstanding during the period/ year.
3. Diluted earnings per Equity Share (₹) = Restated profit/ (loss) attributed to Equity Shareholders of our Company for the period/ year divided by weighted average number of dilutive Equity Shares outstanding during the period/ year.
4. Net Asset Value per Equity Share (₹) = Net Worth at the end of the period/ year divided by the Weighted average number of Equity Shares outstanding during the period/ year.
5. Total borrowings are the sum of long term borrowings and short term borrowings, as set out below.

Particulars	As at		
	March 2024	March 2023	March 2022
Long-term borrowings (A)	1,053.73	377.34	551.82
Short-term borrowings (B)	3,538.11	4,231.85	3,646.60
Total Borrowings (A+B)	4,591.84	4,609.20	4,198.42

For further details, see “Financial Information” on page 210 of this Draft Red Herring Prospectus.

Qualifications of the Statutory Auditors

Our Statutory Auditors have not made any qualifications in the Financial Year 2023-2024 and Financial Year 2021-2022 that have not been given effect to in the Restated Financial Statements. Statutory had qualified Audit report for the Financial Year 2022-2023. Please note the below points of examination report:

As per our Audit Report as on March 31, 2024

Emphasis of matter

- a) Note regarding balances of Short-term borrowings (More specifically Loans to related party transactions and others advances), Trade payables, other current liabilities (More specifically advance received from customers), other non-current assets (More specifically Business-related deposits) and Trade receivables respectively are subject to confirmations.
- b) Note regarding the company is in the process of sending intimation to the suppliers regarding status under the Micro, Small and Medium Enterprises (MSME) Development Act 2006, as a result of which we have not received the data regarding the same so we are unable to comment upon the same.
- c) Note regarding the reliance placed by the auditor on certification received from the management with regards to the disclosure of the contingent liabilities of the company.
- d) Note regarding absence of Audit Trail (Edit Log) in the accounting software used by the company for maintaining its books of accounts.

Qualifications and emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on March 31, 2023

Qualification

- a) Internal financial control relating to loans & advances given, guarantees or security provided needs to be strengthened by adhering to authorizations granted by the Board resolution / Special resolution wherever applicable.
- b) Further the management shall improve a process of entering / maintaining agreements, term sheets mentioning all the terms & conditions with regards to the brand license fees agreement, loans & advances given, as in the current situation no such documentation is maintained.
- c) Provided further, even in respect of borrowed funds, as represented by the management, no such documentation is maintained, hence the management shall work upon the same.
- d) The management should reconcile 26AS, GST on quarterly basis as to get an accurate estimation of sales which would lead to estimation of profit for payment of Advance Tax.
- e) Internal Financial control relating to inter branch unit needs to be strengthened by adhering to authorizations wherever applicable.

Emphasis of matter

1. Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
2. Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
3. Note regarding Total Brand license fees paid amounting to Rs.87.51 lakhs to Suba Hospitality Pvt Ltd, however no agreement for the same was provided.
4. Note regarding the charges existing on MCA website and no proper explanation for the same.
5. Note regarding amalgamation and demerger - during the current year, "Zircon Hotels Pvt. Ltd." "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited has merged with "Hotel Suba Star Private Limited" in accordance with the Scheme of Amalgamation & Demerger (Scheme) approved by the National Company Law Tribunal ('NCLT') vide its Order dated March 15, 2023. Accordingly, the assets and liabilities of "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking), has been merged to "Hotel Suba Star Private Limited". Effect of merger was given from F.Y. 2020-21 w.e.f October 2020 as per NCLT Order dated March 15, 2023.
6. Note on computing the deferred tax working - The management of the company has calculated the depreciation as per Income Tax Act in respect of Hotel Suba Elite (Baroda Hotel Undertaking) unit of Suba Palace Pvt. Ltd. on reasonable basis and the auditor have relied on the same.
7. Note regarding change in useful life of certain assets, however no base supporting for increased useful life was provided.
8. Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on 31/03/2022

Zircon Hospitality Private Limited

- a) Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.

- b) Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
- c) Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Hotel Suba Star Private Limited

- a) Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
- b) Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.

Summary of outstanding litigation

A summary of the outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus, as disclosed in the section titled “*Outstanding Litigations and Material Development*” in terms of the SEBI ICDR Regulations and the Materiality Policy, is set out below:

(in ₹ Lakhs)

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in lakhs) *
Company						
By the Company	Nil	-	-	-	1	Nil
Against the Company	Nil	3	Nil	Nil	Nil	1.79
Directors***						
By the Directors	Nil	-	-	-	3	63.8
Against the Directors	Nil	1	-	Nil	Nil	0.23
Promoters						
By the Promoters	Nil	-	-	-	1	Not Quantifiable
Against the Promoters	2	17	Nil	Nil	1	3,641
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our Group Companies which may have a material impact on our Company#						
Outstanding litigation which may have a material impact on our Company	Nil					

*To the extent quantifiable.

** Inclusive of the proceedings against our Chairman and Managing Director.

*** Inclusive of the proceedings against our Chairman and Managing Director and our Independent Director,

For further details on the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” and “*Risk Factors*” on pages 253 and 33, respectively of this Draft Red Herring Prospectus.

Risk Factors

For further details, see “*Risk Factors*” on page 33 of this Draft Red Herring Prospectus.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities and commitments (to the extent not provided for) as indicated in our Restated Financial Statements:

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
a) Bank Guarantees given by the Company	21.05	21.05	21.05
b) Others	Nil	Nil	Nil

For details, see “Restated Financial Statements” on page 28 of this Draft Red Herring Prospectus.

Summary of Related Party Transactions

Following is the summary of the related party transactions entered by the Company (based on the Restated Financial Statements) for the financial years ended on March 31, 2024, March 31, 2023, and March 31, 2022:

Particulars	As at March 2024 (₹ in Lakhs)	As at March 2023 (₹ in Lakhs)	As at March 2022 (₹ in Lakhs)
Unsecured Loans Given to parties			
1589 Hotels Pvt. Ltd.	186.97	53.34	21.41
Mehta Roadlines	20.85	0.50	10.05
Suba Hospitality Private Limited	0.95	8.40	3.00
Suba Palace Pvt Ltd	38.56	-	-
Onyx hotels Pvt Ltd	11.89	-	-
Unsecured Loans repaid by parties			
1589 Hotels Pvt. Ltd.	137.94	6.20	-
Mehta Roadlines	1.65	3.00	2.05
Suba Palace Pvt Ltd	124.42	154.95	1,982.23
Onyx hotels Pvt Ltd	1,231.52	206.42	59.17
Suba Realty Pvt LTD	108.11	150.65	-
Click Hotels Pvt LTD	-	-	306.60
Unsecured Loans taken from parties			
Suba Palace Pvt LTD	-	616.08	568.57
Suba Realty Pvt LTD	-	285.00	-
Onyx hotels Pvt LTD	1,109.59	432.42	168.47
Click Hotels Pvt LTD	-	-	1,510.27
Brand license fees paid	-	-	-
Suba Hospitality Private Limited	-	87.52	67.11
Unsecured Loans taken from Directors			
Mansur Mehta	-	-	1.44
Unsecured loans repaid to Directors			
Mansur Mehta	-	3.82	6.79
Mubeen Mehta	-	-	3.05
Advance for property			
Hajra Mubeen Mehta	270.00	-	-
Advance for Expenses given during the year			
Mansur Mehta	18.90	-	-
Mubeen Mehta	1.50	-	-
Reimbursement during the year			
Mansur Mehta	0.30	-	-

Financing Arrangements

There have been no financing arrangements, whereby our Promoters, members of Promoter Group, Directors of our Company and their relatives have financed the purchase of any securities of our Company by any other person during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

Name of the Promoters	Number of equity shares acquired in the one year preceding the date of this Draft Red Herring Prospectus	Weighted average price per Equity Share (₹)
Click Hotels Private Limited	12,75,000	1.21
Mansur Mehta	75,001	2.65
Mubeen Mehta	75,000	0.02

*As per certificate from M/s Shah & Taparia, Chartered Accountant, statutory auditor dated September 19, 2024

Average Cost of Acquisition of Equity Shares by our Promoters

Name of the Promoters	Number of equity shares	Average cost price per Equity Share (₹)
Click Hotels Private Limited	73,87,805	2.73
Mansur Mehta	68,30,729	2.73
Mubeen Mehta	2,76,969	2.72

**As per certificate from M/s Shah & Taparia, Chartered Accountant, statutory auditor dated September 19, 2024*

Details of Pre-IPO Placement

Our Company is not proposing to undertake any pre-IPO placement.

Issuance of Equity Shares for consideration other than cash in the last one year

Except as mentioned below, our Company has not Issued any Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves (at any time since incorporation).

Date of Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of Allottees	No. of Shares Allotted
October 30, 2023	7,39,858	10	Nil	Allotment pursuant to Scheme of Amalgamation	Mansur Mehta	2
					Click Hotels Private Limited	7,39,856
June 28, 2024	1,26,86,048	10	Nil	Bonus Issue in the ratio of 8:3	Click Hotels Private Limited	53,72,949
					Mansur Mehta	49,67,803
					Mubeen Mehta	2,01,432
					Shabnam Mehta	2,01,192
					Rahima Mehta	3
					Hajra Mehta	3
					Munshi Holding Company	19,42,666
					Total	1,26,86,048

For further details pertaining to Issue of Equity Shares for consideration other than cash, see chapter titled "**Capital Structure**" on page 83 of this Draft Red Herring Prospectus.

Split/ Consolidation of equity shares in the last one year

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year as on date of filing of this Draft Red Herring Prospectus.

Exemption from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not taken any exemption from complying with any provision of the Securities Laws from SEBI as on the date of filing of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks, as well as other risks and uncertainty discussed in this Draft Red Herring Prospectus, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flow and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Issue. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate, and specific risk associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

To obtain a better understanding of our business, you should read this chapter in conjunction with other sections of this Draft Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Industry Overview” and “Financial Statements” on pages 155, 244, 118 and 210, respectively of this Draft Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements, that involves risks, uncertainties and other factors. Our actual results could differ materially from those anticipated in these forward-looking statements, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward-Looking Statements” on page 24 of this DRHP.

Unless otherwise stated, the financial information in this chapter is derived from our Restated Consolidated Financial Statements for the financial years ended March 31, 2024, 2023 and 2022 as included in “Restated Consolidated Financial Statements” on page 210 of this Draft Red Herring Prospectus.

MATERIALITY

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may have material impact quantitatively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be materiality individually but may be found material collectively; and
- Some events may not be material at present but may not be having material impact in future.

BUSINESS RELATED RISKS

I. Internal Risks

- 1. A large portion of our revenue is realised from our Owned Hotels and revenue share and lease, contributing approximately 32.38 % and 51.27 %, respectively for the financial year 2024 of the revenue from operations in key geographies and any adverse developments affecting these hotels or the regions in which they operate, could have an adverse effect on our business, results of operation, cash flows and financial condition.***

We derive a significant portion of our revenue primarily from Owned Hotels and revenue share and lease contributing approximately 32.38 % and 51.27 %, respectively for the financial year 2024. We have a total of 12 Hotels operating under the lease-revenue share model, and are supported by markets with high density demand in Tier – 1 cities like Bangalore, Chennai and Mumbai etc. This growth was primarily driven by factors such as increased corporate travel, a rise in wedding ceremonies, and increased demand for Meetings, Incentives, Conferences, and Exhibitions (MICE).

As on July 31, 2024, we are present in upscale, upper-midscale and midscale brands. These hotel segments vary based on business models that includes owned, managed, revenue share & lease and franchised hotels, as demonstrated below:

Particulars	Owned	Managed	Revenue share & lease	Franchised	Total
No. of Hotels (Operational)	5	13	14	47	79
No. of Hotels (Executed Agreements)	0	8	10	17	35
No. of Keys (Operational)	227	551	529	2,437	3,744
No. of Keys (Executed Agreements)	0	324	417	920	1,661

The following table sets forth room revenue derived by our (i) owned hotels, (ii) managed hotels, (iii) Revenue share and lease model and (iv) Franchise-based model contribute to a significant portion of our Company's revenues, details of which are as follows:

Particulars	No. of rooms/ keys (March 2024)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
		Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation
Owned	202	1,402.49	26.83%	1,269.97	36.25%	859.48	42.60%
Managed	551	177.80	3.40%	49.92	1.43%	5.58	0.28%
Revenue share and lease	518	2,245.42	42.95%	1,180.42	33.69%	678.26	33.62%
Franchise	2394	676.55	12.94%	355.84	10.16%	-	-

For further information on operating information pertaining to the above-mentioned hotels, please see “**Our Business – Business Operations**” of this DRHP on page **Business Operations**

While we have not experienced any significant disruptions or shutdown of hotels, including due to social, political or economic factors or natural calamities or civil disruptions, which may have impacted these hotels or regions. However, any such occurrences in the future may adversely affect our business, results of operation, cash flows and financial condition.

- We derive a significant portion of our room revenue from corporate and leisure accounts from our owned and revenue share and lease hotels. Changes in travellers' preferences due to increased use of telepresence equipment, cost of travel, spending habits, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows.*

We derive a significant portion of our revenue from large corporate key accounts and from leisure customers. The following table sets forth room revenue derived by our (i) owned hotels and (ii) Revenue share and lease Hotels from the following customers for the periods indicated below:

Owned Hotels	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue
Corporate and Leisure accounts	633.96	45.20%	552.58	43.51%	372.84	43.38%
OTA	158.76	11.32%	215.17	16.94%	127.22	14.80%
Income from FIT (Free Individual Traveller) #	573.82	40.91%	459.42	36.18%	319.63	37.19%
Total	1,366.54	97.44%	1,227.18	96.63%	819.68	95.37%

Income from FIT means direct business coming to hotel including walk-in guests

Leased Hotels	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue
Corporate and Leisure accounts	619.81	27.60%	419.58	35.55%	160.08	23.60%
OTA	682.02	30.37%	350.95	29.73%	143.85	21.21%

Leased Hotels	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue
Income from FIT (Free Individual Traveller) [#]	917.24	40.85%	375.51	31.81%	331.16	48.82%
Total	2,219.08	98.83%	1,146.04	97.09%	635.09	93.63%

[#]Income from FIT means direct business coming to hotel including walk-in guests

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without travelling to a centralized meeting location, such as our hotels. There was a significant increase in use of teleconference and video-conference technology during the COVID-19 pandemic. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms or our conferencing and meeting facilities may decrease from business travellers and corporate customers. Similarly, changes in business spending and preferences of our international business, leisure customers and domestic tourism and preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, the locations at which our hotels are situated. Such changes may impact the demand for our hotel rooms from domestic tourists and guests at our leisure hotels, and our business may be adversely affected. We derive a significant portion of our revenue from large corporate key accounts.

Consequently, any reduction in growth or a slow-down in the business of such large corporate customers or an increase in trend of virtual meetings and conferences, could result in a reduction of their requirement for our services. Similarly, changes in business spending and preferences of our business and corporate customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of our hotels and services. The loss of such customers or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition, and cash flows. Currently, a majority of our hotels are located at important business and financial hubs of India, however in the future such business hubs may shift, within a city or interstate, and as a result our hotel locations may not be as attractive to business travellers and corporate customers, resulting in reduction of demand for our services which may have an adverse effect on our business, results of operations, financial condition, and cash flows.

3. Certain of our hotels which we operate are leased from third parties. If we are unable to comply with the terms of the lease or license agreements, renew our agreements or enter into new agreements on favourable terms, or at all, our business, results of operations and financial condition and cash flows may be adversely affected.

As of July 31, 2024 we have 14 hotels comprising a total of 529 rooms, are located on leased or licensed premises and for 10 hotels we have executed agreement. The leave or license periods of these agreements range from 7 to 9 years.

Following table sets out our expenses for rent amount in relation to our properties for the following periods:

S. No	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	As a % of total expenses	Amount (₹ in lakhs)	As a % of total expenses	Amount (₹ in lakhs)	As a % of total expenses
1.	529.16	12.70%	325.78	11.18%	201.78	10.69%

*includes lease rent of land on our three owned properties which are Click Hotel Bhuj, Click Hotel Junagarh, Click Hotel Pithampur.

We cannot assure you that we will be able to fully comply with all the terms of the lease deeds or license agreements which we have entered into in relation to such hotels, renew such agreements or enter into new agreements in the future, on terms favorable to us, or at all. In the event we are unable to renew any expired lease deeds for our hotel properties on such terms as are favourable to us, we may be required to vacate the hotel premises which may result in adverse impact of our revenues generated from such hotel properties. Further, we may not be able to find any suitable alternative for our hotel, which may have an adverse impact on our business, operations, financial condition, and cash flows.

Any non-compliance with the terms or conditions of lease deed, concession agreements or license agreements entered into by our Company may result in dispute or legal proceedings against our Company or may even result in termination of lease deed or license agreement by lessor or licensor, which may have an adverse impact on our business, operations, and cash flows. We cannot assure you that these proceedings will be decided or settled in

favour of our Company or that no additional liability will arise out of these proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. For details, please see ***“Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions by statutory or regulatory authorities”*** on page 253.

While we have not faced any instances of disputes (including receipt of any default letters) from our lessors in the FYs 2024, 2023 and 2022 in the event that any lease deed or license agreement for the land on which our hotels are located is terminated due to our non-compliance with its terms, among others, for non-payment of lease rental, subcontracting of commercial operations without consent of the lessor, appointment of receiver or not renewed, we will be unable to utilize such hotels apartments and we may be unable to benefit from the existing capital expenditure and investments made by us in such hotels/serviced apartments. Further, we may be required to expend time and increased financial resources to vacate our current premises and locate suitable land to set up alternate hotels which will disrupt our operations and cash flows. We may also be unable to relocate a hotel to an alternate location in a timely manner, or at all, and we cannot assure you that a relocated hotel will not require significant expenditure or be as commercially viable.

Further, any regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights to such properties may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces following any such developments and expose us to reputation risks. While we have not faced any instances of regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights in the financial years 2024, 2023 and 2022, there is no assurance that such events will not occur in the future. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or breach of the contractual terms of any lease and license agreements may adversely affect our business, results of operations, financial condition and cash flows.

While none of our lease deeds or license agreements were terminated prior to its tenure in FYs 2024, 2023 and 2022, in the event any of our lease deeds or license agreement is terminated prior to its tenure, or if it is not renewed, or if we are required to cease business operations at a hotel and for any reason whatsoever or the land is leased or sold to our competitor after the termination of our lease, our business, financial condition, cash flows and results of operations may be adversely affected. For more information on our hotel properties, please see ***“Our Business – Revenue Share & Lease”*** on page 158 of this DRHP.

- 4. *We have entered into master franchise agreement dated May 13, 2022 with Choice Hotels Licensing B.V. for three brands of Choice Hotels in India - Clarion (upscale), Quality (upper midscale) and Comfort (midscale). For the Financial Year 2024, our hotels franchised under MFA of Choice Hotels - contributed 12.94 % to our revenue from operations. If these agreements are terminated or not renewed, our business, results of operations and financial condition may be adversely affected.***

As on July 31, 2024 we had a portfolio of 79 operating hotels, 47 of which were managed by Franchisee. The hotels managed by Franchisee comprised a total of 12.94 % of our total revenue from operations for the financial year 2024. For further details on the breakdown of our hotels by operator, including our operator contract expiration date for each hotel, see the table under ***“Our Business – Business Operations”*** on page 155. Our franchise agreement is for a period of fifteen years with an option to extend mutually for a period of five years, under which we are obliged to pay royalty. Pursuant to our agreement dated May 13, 2022 the amounts paid to Choice Hotels is ₹ 261.69 Lakhs and ₹ 139.07 Lakhs for the financial year 2024 and 2023 respectively.

The provisions for liquidated damages of the Franchisee agreement safeguard the company from the early exit/ breach of the terms of Franchisee agreement.

For the Financial Year 2022-2023 the company generated revenue of ₹ 355.84 lakhs from franchisee fees i.e. 10.09% of the total revenue from operation as against for the Financial Year 2023-2024, the company generated revenue of ₹ 676.55 lakhs from franchisee fees i.e. 13.19% of the revenue from operations.

While we have not experienced any material instances of terminations, fines or penalties in the past Financial Years, we cannot assure you that we will be able to fully comply with all the terms of our agreements entered with the hotel operators. If any of such agreements are terminated. Although we have not seen any such change in the past three Financial Years, we cannot assure you that such changes will not occur in the future.

- 5. *Certain portion of our hotel bookings (average 22.80% of room revenue for financial year 2024) originate from online travel agents and intermediaries. In the event such online travel agents and intermediaries continue to gain market share compared to our direct booking channels; they may be able to negotiate***

higher commissions for services provided, or demand significant concessions or reduced room rates causing an adverse effect on our margins, business, and results of operations.

Many of our hotels have agreements with operators of third-party websites and hotel reservation intermediaries, including online aggregators and travel agents, to whom we pay commissions for their services. These commissions are either paid directly (as a percentage of the room's sale price) or indirectly (by offering a lower room rate that the intermediaries can sell at a higher price to their customers). These intermediaries act as facilitators, arranging hotel accommodation bookings between customers and our Company. They display our hotel inventory, room prices, taxes, promotions, cancellation charges, and other details on their websites or portals, which customers can access. The contracts with these intermediaries are typically open-ended and remain in effect until terminated by either party with written notice.

Set out below are bifurcation of revenue and number of bookings pertaining to our 5 owned hotels contributed inter-alia by online-travel agents and intermediaries for the periods indicated:

Owened Hotels:

(Bookings are in numbers, except percentages)

Particulars (Owened Hotels)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue
Online through travel agent (OTA)	232.69	6.38%	191.23	7.80%	122.19	7.95%
Bookings through own website	25.01	0.69%	12.94	0.53%	10.95	0.71%

(Bookings are in numbers, except percentages)

Particulars (Owened Hotels)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings
Online through travel agent (OTA)	8,165	7.06%	8530	9.17%	7623	9.81%
Bookings through own website	667	0.58%	505	0.54%	593	0.76%

Revenue share and lease:

(Bookings are in numbers, except percentages)

Particulars (Revenue share and lease)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue	Room Revenue (₹ in lakhs)	As a % of Total Room Revenue
Online through travel agent (OTA)	534.96	14.66%	342.47	13.98%	167.82	10.91%
Bookings through own website	31.22	0.86%	20.90	0.85%	18.03	1.17%

(Bookings are in numbers, except percentages)

Particulars (Revenue share and lease)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings
Online through travel agent (OTA)	20,581	17.79%	14962	16.08%	10896	14.03%
Bookings through own website	1,026	0.89%	787	0.85%	1167	1.50%

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Commission paid to intermediaries for bookings	175.64	4.21%	133.73	4.59%	71.04	3.76%

These online travel agents, offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. If these intermediaries continue to develop their customer bases and the percentage of bookings at our hotels made through their systems becomes even more significant, they may be able

to negotiate higher commissions, reduced room rates, or other significant concessions from us, which could adversely affect our margins and profitability. In addition, due to our reliance on these intermediaries and travel consolidators, any material changes to the terms and conditions of our contractual agreements including the rates of commission or margins charged by such intermediaries could affect our operation and business.

While we have not faced any material disagreements with travel agents and intermediaries in Financials 2024, 2023 and 2022, any disagreements in the future may lead to an adverse effect on our business and profitability.

A significant portion of our revenue in the Online Travel Agent (OTA) sector is derived from dynamic pricing strategies. This pricing model allows us to adjust room rates based on real-time demand, particularly benefiting from higher prices during last-minute bookings. As a result, it helps us optimize profitability during periods of high demand or last minute bookings.

In addition, many online intermediaries allow customers to rate and review our hotels. Any negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, any incorrect information uploaded about our hotels by such intermediaries, or any failure or delay on our part in scrutinizing and rectifying, the correctness of details of our hotels posted on their platform, may adversely affect the reputation of our hotels and cause negative publicity. Our competitors may also be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our hotel bookings from these channels, which in turn may adversely affect our business, cash flows and results of operations.

6. Our operations and management agreements contain certain restrictive provisions, which may hinder our ability to operate such managed hotels and may cause an adverse effect on our business and operations.

We enter into hotel operation and management agreements with owners of hotels to render operation and marketing services. Termination of operation and management agreement by owners or non-renewal of such agreements by owners of hotels may result in loss of management fees earned from such managed hotels resulting in negative impact on our revenue from operations. As on July 31, 2024, 13 of our hotels, representing 551 rooms, were operated by us pursuant to hotel operation and management agreements. Further, as on July 31, 2024, 8 of our hotels, representing 324 rooms are under development and term sheets for operation and management of such hotels have been entered by our Company with the respective hotels. For details operational and under development managed hotels, see “**Our Business – Managed**” on page 158.

For the Financial Year 2024, our hotels managed by Click contributed ₹ 177.80 lakhs from franchisee fees or 3.40 %, to our total revenue from operations.

The following table sets forth certain information of our managed hotels for the period/years indicated below:

Particulars	Financial Year 2024	Financial year 2023	Financial Year 2022
Income from Management fees (₹ in lakhs) (A)	177.80	49.92	5.58
Revenue from operations (₹ in lakhs) (B)	5227.65	3,503.30	2,017.70
Income from Management fees to Revenue from operations (%) (A/B*100)	3.40%	1.43%	0.28%
Managed hotels (in no.)	16	9	1
Rooms (in no.)	649	322	66

The term of such agreements typically ranges from 5 to 15 years, but the parties are entitled to early termination without cause, subject to payment of certain termination fees. While some of our hotel operation and management agreements grant early termination rights to hotel owners upon the occurrence of certain events, such as our failure to meet specified performance tests based upon the hotel’s financial and operational criteria. Our ability to meet such financial and operational criteria is subject to, among other things, risks common to the overall hotel industry, such as an inability to attract customers or face competition effectively, which may be outside our control.

Any failure on part of owners or licensors of our managed property to rectify any such breach of contractual arrangements, may require us to initiate legal proceedings against them or may require us to sever our relationship or terminate the operation and management agreements with them, resulting in loss of business, and an adverse impact on our profits and cash flows.

In addition, we may be required to indemnify hotel owners for and against claims, demands, losses and costs including on account of the breach of terms, covenants, misconduct, negligence, or fraud in performance of our obligations, under such operation and management agreements.

Further, we do not own the land and building in relation to our managed hotels. In the event that the hotel owners do not have, or fail to maintain good title to the land on which these hotels are situated, or fail to comply with requirements of applicable law with respect to ownership and use of such land, or if such land is, or becomes subject to, any dispute, we may be required to terminate the hotel operation and management agreement in relation to such hotel.

In addition, necessary permits, approvals, and licenses for our managed hotels are generally obtained in the name of the hotel owner. We rely on the cooperation and assistance of such hotel owners to apply for and renew such permits, approvals and licenses. While there have been no instances of delay in receipt of necessary permits, approvals, and licenses in past three Financial Years, we cannot assure you that the hotel owners will continue to extend cooperation and assistance in a timely manner, or at all and that there will be no delays in obtaining such approvals in future.

Further, hotel owners are responsible to incur the costs of renovating or developing the hotel property to our standards, consequently the quality of our managed hotels may be diminished by factors beyond our control. While we may terminate hotel operation and management agreements with hotel owners who do not comply with the terms of our agreements and fulfil their obligations under such agreements, we cannot assure you that we be able to find suitable alternatives in a timely manner, or at all, which may result in loss of management fee earned from such managed hotels leading to an adverse effect on our business and operations. As a result of such restrictions, we may be unable to pursue development or acquisition opportunities that could be beneficial to us, which could, in turn, have an effect on our business, financial condition, cash flows and results of operations.

7. A significant portion of our revenues are derived from a few hotels and from hotels concentrated in a few geographical regions and any adverse developments affecting such hotels or regions could have an adverse effect on our business, results of operation and financial condition.

Any decrease in our revenues from these hotels, including due to increased competition and supply or reduction in demand in the markets in which these hotels operate, may have an adverse effect on our business, results of operation and financial condition.

In addition, a large portion of our revenues are derived from hotels concentrated in a few geographical regions, namely Gujarat, Maharashtra, and Karnataka. The table below sets forth our state-wise revenue contribution, in absolute terms and as a percentage of our Total Income, for the periods indicated:

Particulars	Financial Year 2024		Financial year 2023		Financial Year 2022	
	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations
Gujarat	1,930.99	36.44%	1,636.13	46.48%	1,142.76	56.45%
Maharashtra	755.33	14.25%	777.47	22.09%	491.33	24.27%
Karnataka	545.04	10.28%	484.40	13.76%	265.70	13.13%
Rajasthan	276.75	5.22%	216.10	6.14%	118.98	5.88%
Dubai	468.29	8.84%	-	-	-	-
Uttar Pradesh	225.36	4.25%	-	-	-	-
Madhya Pradesh	126.65	2.39%	-	-	-	-
Punjab	119.30	2.25%	-	-	-	-
Various*	851.90	16.07%	405.76	11.53%	5.58	0.28%
Total	5,299.61	100.00%	3,519.86	100.00%	2,024.34	100.00%

*Includes Franchise and managed business operation.

In the three Financial Years, we have not experienced any significant disruptions, including due to social, political or economic factors or natural calamities or civil disruptions, impacting these regions, including in Gujarat, Maharashtra, and Karnataka. However, such occurrences in the future may adversely affect our business. Changes in the policies of the state or local governments of these regions, including any increase in property tax or imposition of COVID-19 related restrictions may require us to incur significant capital expenditure and change our business strategy. We cannot assure you that we will be able to reduce our reliance on these few hotels and hotels located in these regions, in the future.

8. The hospitality industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, cash flows and financial condition.

The competition in the hospitality industry has grown over the last few years due to the influx of international players, with a diversified portfolio and global loyalty programs that have established a strong presence in India. The hospitality industry faces several barriers to entry and other challenges including the availability of land at suitable locations and costs, regulatory approvals and licenses, increased development costs and manpower

shortages. (source: JLL Report) We compete with large multinational and Indian hotel companies, in each of the regions in which we operate. Competitive factors at each hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities and services. Some of our competitors who are hotel owners may operate on a larger scale than us in such destinations or otherwise, or develop alliances to compete against us, or have greater financial and other resources. We cannot assure you that hotels owned or managed by new or existing competitors will not lower rates or offer a wider variety of services or amenities or significantly expand or improve facilities in a market or location in which we operate, or that we will be able to compete effectively in such conditions. While we have not faced any material adverse impact of the opening of a new hotel in the vicinity of any one of our hotels in the Financial Years 2024, 2023 and 2022, such occurrences may increase competition which would impact our occupancy levels and consequently our revenues. We may also face increased competition from budget hotels, internet-based homestays and hostel aggregators and alternative accommodation options such as luxury homestays and bed and breakfast.

Our success is largely dependent upon our ability to compete in areas such as room rates, location of the property, quality of accommodation, service levels and the quality and scope of other amenities, including among others, food and beverage facilities. In addition, our competitors may significantly increase their advertising budget and offer more discounts or incentives to promote their hotels, which may require us to increase advertising and marketing expenses and change pricing and promotional strategies. While we have not experienced any material instances of such increased advertising and marketing expenses and changes in pricing strategies in the financial years 2024, 2023 and 2022, such occurrences in the future may have an adverse effect on our results of operations and cash flows. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, or that our business, cash flows and results of operations will not be adversely affected by increased competition.

9. *Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and may be subject to change based on various factors, some of which may be beyond our control.*

We intend to use a portion of the Net Proceeds of the Fresh Issue for the purposes described in “*Objects of the Issue*” on page 95. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company’s efforts to use the Net Proceeds to achieve profitable growth in its business. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies.

Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilization of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. Accordingly, prospective investors will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

10. *Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows.*

The industry in India is subject to seasonal variations. The periods during which our hotels experience higher revenues vary from property to property, depending principally on their location and the guests they serve. Our revenues are generally higher during the second half of each fiscal year. The winter months are preferred for travel into India, particularly for discretionary travel. This seasonality can result in quarterly fluctuations in revenue, profit margins and earnings. As a result of such seasonal and cyclical fluctuations and in the supply of hotel rooms, including periods of excess supply, our room rates, sales, cash flows and results of operations of a given period of the financial year may not be reliable indicators of the sales, cash flows or results of operations of the remaining

period of the financial year or of our future performance. Further, our past financial results may not be indicators of the sales, cash flows or results of operations of our future performance.

Further, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators on a lagged basis. Demand for hotel rooms, occupancy levels and room rates realized by owners of hotels, typically experience increases and decreases through macroeconomic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results of hotel properties. The costs of running a hotel, such as costs relating to power, fuel and water, employees, tend to be more fixed than variable. For further details, see “**Risk Factors – Several expenses incurred in our operations are relatively fixed in nature, and our inability to effectively manage such expenses may have an adverse effect on our business, results of operations, cash flows and financial condition**” on page 51 of this DRHP. The retail food and beverage industry are also subject to seasonal fluctuations as a result of increased demand during weekends and festive seasons. As a result, in an environment of declining revenues, the rate of decline in profits can be higher than the rate of decline in revenues. Our results for a given financial year are not necessarily indicative of results to be expected for any other period. For further details, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – key factors affecting the results of operation**” on page 245 of this DRHP.

11. We have not yet placed orders in relation to the funding capital expenditure requirements towards upgradation and last-mile funding of hotel premises which is proposed to be financed from the net Issue proceeds of the IPO. In the event of any delay in placing the orders, or in the event the vendors are not able to execute the contract in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected. Our proposed expansion plans are subject to the risk of unanticipated delays in implementation due to factors including delays in construction and cost overruns.

We intend to use a part of the net proceeds from IPO for Funding Capital Expenditure Requirements towards upgradation and last-mile funding of eight hotel premises amounting to ₹ 6,004.87 Lakhs (100% of the capital expenditure that is proposed to be funded through Issue proceeds). We are yet to place orders for the capital expenditure for the proposed plan. We have not entered into any definitive contract to utilize the net proceeds for this object of the Issue. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Our proposed plan may be subject to potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our plans include labour shortages, increased costs of materials or manpower, inadequate performance of the equipment and machinery used for such civil work, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory, environmental and other regulatory approvals, incremental pre-operating expenses, taxes and duties, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. The proposed expansion will require us to obtain approval, which are routine in nature.

For further details, see “*Objects of the Issue*” on page 95 of this Draft Red Herring Prospectus. There can be no assurance that we will be able to complete the aforementioned proposed expansion in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

12. Our Promoters, Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company. Certain of our Promoters and Directors may have interests in entities, which are in businesses similar to ours and this may result in conflict of interest with us

Our Promoters and Directors - Mansur Mehta and Mubeen Mehta are interested in our Company to the extent: (i) that they have promoted our Company; (ii) of the Equity Shares held by them in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them or the shareholding of their relatives; (iii) of remuneration and reimbursement of expenses, if any, payable to them and; (iv) of unsecured loans provided by them to our Company. Furthermore, our Promoters, Directors, Key Managerial Personnel may also be deemed to be interested in arrangements entered into by our Company with entities in which they or their

relatives hold directorships or partnership interests. For further details, see “*Our Management*”, “*Our Promoters and Promoter Group*” and “*Our Group Companies*” on pages 188, 201 and 206, respectively.

Our Promoters and Directors have interests in entities, to the extent of their shareholding and/or directorships/partnership, which are in businesses similar to ours and this may result in conflict of interest with us. We cannot assure you that our Promoters and Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future or supply equipment or material at more competitive price to our competitors or supply equipment or material on time or at all. In the event that any conflicts of interest arise, our Promoters and Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders’ best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will be resolved in our favour.

13. We have incurred indebtedness which requires significant cash flows to service, and this, together with the conditions and restrictions imposed by our financing arrangements, fluctuations in the interest rates may limit our ability to operate freely and grow our business.

We operate in a capital-intensive industry and as of August 31, 2024, we had outstanding secured borrowings (comprising current and non-current borrowings, current portion of non-current borrowings as well as interest accrued on borrowings) of ₹ 1,555.51 Lakhs on a consolidated basis.

For further details on the nature of our outstanding borrowings, see “*Financial Indebtedness*” on page 242 of this DRHP. We may also incur additional indebtedness in the future. The table below sets forth certain information on our total borrowings, net borrowings, net borrowings to total equity ratio, debt service coverage ratio and EBITDA/ Interest Costs, as of the dates indicated:

(₹ in lakhs)

Particulars [#]	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Non-current borrowings (₹ in lakhs) (A)	1,053.73	377.34	551.82
Current borrowings (₹ in lakhs) (B)	189.87	189.41	180.41
Total Borrowings (₹ in lakhs) (1) (C = A+B)	1,243.60	566.75	732.23
Interest Costs (₹ in lakhs)	74.21	67.57	92.78
Cash and cash equivalents	375.24	256.79	91.46
Net Borrowings (₹ in lakhs) (D)(2)	868.36	309.97	640.77
Total Equity (₹ in lakhs) (E)	3,233.04	2,346.00	2,067.68
Net Borrowings to Total Equity ratio (F = D/E) (in times) (3)	0.27	0.13	0.31
Debt service coverage ratio (in times) (4)	5.26	3.53	1.68
EBITDA/ Interest Costs (in times) (5)	18.69	12.95	4.40

1) Total borrowings are computed as sum of non-current and current borrowings.

2) Net Borrowings are computed as Total Borrowings minus cash and cash equivalents and other balances with Banks.

3) Net Borrowings to Total Equity ratio is computed as Net Borrowings divided by Total Equity.

4) Debt service coverage ratio is calculated as earnings for debt service (net profit before tax + non-cash operating expenses (depreciation and amortisation) + Interest cost + other adjustments such as gain on sale of property, plant and equipment) divided by debt service (Interest cost and lease payments + principal repayments of long-term borrowings).

5) EBITDA/Interest Costs is calculated as EBITDA divided by Interest Costs.

For further details, see “*Financial Indebtedness*” on page 242.

Our current and future levels of leverage could have significant consequences for our shareholders and our future financial results and business prospects, including but not limited to:

- increasing our vulnerability to economic downturns in India.
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- increasing our interest expenditure;
- limiting our ability to raise additional funds or refinance existing indebtedness including due to fluctuations in our credit ratings; and
- reducing the availability of cash flows from our operations to fund capital expenditure, working capital requirements and growth initiatives or to make dividend payouts.

The interest rate for most of our borrowings availed by our Company is expressed as the base rate or marginal cost of funds-based lending rate of a specified lender and interest spread per annum, which is variable. Weighted

average rate of interest of all credit facilities availed by our Company is 10.15 % (based on the weight average on outstanding loan amount as of August 31, 2024). We are therefore susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. For further details, please see “**Financial Indebtedness**” on page 242 for a description of the range of interest typically payable under our financing agreements.

In addition, we may require additional borrowings for our business and operations and may be required to create encumbrance or mortgage on our properties to secure the facilities proposed to be availed. Lenders may be unwilling to accept security interests in certain properties as collateral for the loan due to the illiquidity of the relevant property. If we are unable to raise such financing on favorable terms, or at all, we may not be able to fund our operations sufficiently or we may be unable to carry out our planned expansion, all of which could have a material adverse effect on our business, financial condition, profitability, results of operations and ability to implement our growth strategy.

The terms of our outstanding debt require us to comply with various covenants and conditions and are also subject to various restrictive covenants under our financial arrangements. Any failure on our part to comply with these terms in our financing agreements would generally result in events of default under these financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, terminate the facility agreement and declare the entire outstanding amounts under these loans due and payable, suspend further access to the facility by the Company, and in certain instances, declare the security created to be enforceable, which if resorted to, may have an adverse effect on our business, results of operations, cash flows and financial condition. In the past, we were not in compliance with certain financial covenants under several financing agreements entered into by our Company. For further details, please see “**Risk Factors - Internal Risk Factors - We are subject to certain covenants under our financing and novation agreements and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect our business, results of operations and financial condition.**” on page 50.

14. Any failure to maintain the quality and hygiene standards of the food and beverages that we offer, will adversely affect our F&B Revenue, overall business and financial performance.

Our operations depend on the quality of food and beverages served at our hotels and we focus on hygiene to ensure safety of our customers. Our hotels feature 19 restaurants as on July 31, 2024, establishments that attract customers and guests staying at our hotels. Set out below are details of our F&B Revenue for the periods/years indicated:

Particular	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
F&B Revenue*	645.76	12.35%	597.98	17.07%	419.48	20.79%

*F&B Revenue is calculated as the sum of revenue from food and soft beverages. F&B Revenue also includes revenue from F&B from banquet and MICE.

Our F&B Revenue is dependent on the occupancy rates at our hotels. The guests at our hotels frequent the restaurants at our hotels, and any decrease in the number of guests at our rooms may lead to a decrease in the number of customers at our restaurants.

Further, any contamination or deterioration of quality could result in customer dissatisfaction and/or criminal or civil liabilities and restrict our ability to provide services which, in turn, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. We cannot assure you that we will not be involved in any other litigation or proceedings or be held liable in any litigation or proceedings in relation to the services provided by us.

In addition, we may be subject to false claims of contamination which could create negative publicity and adversely affect our reputation, business, financial condition, results of operations, cash flows and prospects. The quality of food and beverages, the cleanliness of hotels and the service to clients, and physical standards, such as the quality of the relevant hotels, its rooms, common areas, furniture and its fixtures. We may also be required to incur additional capital expenditure in order to comply with the policies, standards, technologies and practices adopted globally. Further, our quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures, which depend on the skills and experience of our management and training staff, employees etc. Any real or perceived failure, deficiency or decrease in the quality of services rendered at our hotels could adversely affect our reputation and result in negative reviews and feedback from our

guests on online travel portals or social media, which may cause future guests to choose the services of our competitors.

15. We do not own the premise in which our Corporate office is located and the same is on lease arrangement. Any termination of such lease / license and / or non-renewal thereof could adversely affect our operations.

We do not own our Corporate Office premise situated at B2-1004, 10th Floor, Marathon Innova Ganpatrao Kadam Marg, Opp Peninsula Park, Delisle Road, Lower Parel, Mumbai 400 013 and is on leave and license basis taken on lease basis from our Promoters i.e. Mansur Mehta and Mubeen Mehta and one member from Promoter Group i.e. Shabnam Mehta from June 10, 2024, to May 09, 2025. Our Company maintain books and accounts, relevant books, papers and financial statements of the Company at the Corporate Office. Under Section 128 of Companies Act, 2013, Our Company has filed form AOC-5 with MCA.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. We also cannot assure you that we will be permitted to use our leased property on a continuous basis. If we are required to vacate the aforementioned premises, we would be required to make new arrangements for our registered office and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

16. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect the operations of our business.

Our business operations are subject to various government and statutory regulations which may differ from region to region. Hence, we are required to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We are in the process of applying for certain approvals relating to our operations.

On conversion of our Company from private limited to public limited, the name our Company has changed from 'Suba Hotels Private Limited' to 'Suba Hotels Limited'. Consequent to this change, we are in the process of updating the name in all the licenses and approvals taken by our Company in the ordinary course of business; however, the process is still in progress and such updation is still pending.

Furthermore, government approvals and licenses are subject to numerous conditions, including but not limited to various monitoring and compliance requirement. Any failure to renew the approvals that have expired or apply for, obtain and validly maintain the required licenses, approvals, registrations or permits, or any suspension or revocation of any approvals, licenses, registrations and permits that have been or may be issued to us, may materially and adversely affect our operations, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future.

While we generally apply for renewal of licenses and approvals timely, we cannot assure that such approvals will be issued to us or granted in a timely manner or at all, which may have an adverse effect on our business operations. As on the date of this Draft Red Herring Prospectus, 3 of our licenses i.e. Fire NOC (Click Hotel, Junagadh), License under Food Safety and Standards Act, 2006 (Click Hotel Pithampur) and License to use a lift (Click Hotel, Junagadh and Pithampur) have expired. However, Company has applied for Fire NoC (Click Hotel, Junagadh) with concern authority and for License under Food Safety and Standards Act, 2006 (Click Hotel Pithampur) & License to use a lift (Click Hotel, Junagadh and Pithampur) are in process of application to be filed with concern authority. Our Company is yet to apply for Registration under ESIC (Click Hotel, Bhuj).

For more information about the licenses required in our business and the licenses and approvals applied for, please refer "Key Industrial Regulations and Policies in India" and "Government and Other Approvals" on page 176 and 260 of this Draft Red Herring Prospectus.

17. Our Statutory Auditors have included certain emphasis of matters in our Restated Financial Statements:

Our Statutory Auditors have included certain emphasis of matters:

As per our Audit Report as on March 31, 2024

Emphasis of matter

- a) Note regarding balances of Short-term borrowings (More specifically Loans to related party transactions and others advances), Trade payables, other current liabilities (More specifically advance received from customers), other non-current assets (More specifically Business-related deposits) and Trade receivables respectively are subject to confirmations.
- b) Note regarding the company is in the process of sending intimation to the suppliers regarding status under the Micro, Small and Medium Enterprises (MSME) Development Act 2006, as a result of which we have not received the data regarding the same so we are unable to comment upon the same.
- c) Note regarding the reliance placed by the auditor on certification received from the management with regards to the disclosure of the contingent liabilities of the company.
- d) Note regarding absence of Audit Trail (Edit Log) in the accounting software used by the company for maintaining its books of accounts.

Qualifications and emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on March 31, 2023

Qualification

1. Internal financial control relating to loans & advances given, guarantees or security provided needs to be strengthened by adhering to authorizations granted by the Board resolution / Special resolution wherever applicable.
2. Further the management shall improve a process of entering / maintaining agreements, term sheets mentioning all the terms & conditions with regards to the brand license fees agreement, loans & advances given, as in the current situation no such documentation is maintained.
3. Provided further, even in respect of borrowed funds, as represented by the management, no such documentation is maintained, hence the management shall work upon the same.
4. The management should reconcile 26AS, GST on quarterly basis as to get an accurate estimation of sales which would lead to estimation of profit for payment of Advance Tax.
5. Internal Financial control relating to inter branch unit needs to be strengthened by adhering to authorizations wherever applicable.

Emphasis of matter

1. Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
2. Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
3. Note regarding Total Brand license fees paid amounting to Rs.87.51 lakhs to Suba Hospitality Pvt Ltd, however no agreement for the same was provided.
4. Note regarding the charges existing on MCA website and no proper explanation for the same.
5. Note regarding amalgamation and demerger - during the current year, "Zircon Hotels Pvt. Ltd." "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited has merged with "Hotel Suba Star Private Limited" in accordance with the Scheme of Amalgamation & Demerger (Scheme) approved by the National Company Law Tribunal ('NCLT') vide its Order dated March 15, 2023. Accordingly, the assets and liabilities of "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking), has been merged to "Hotel Suba Star Private Limited". Effect of merger was given from F.Y. 2020-21 w.e.f. October 2020 as per NCLT Order dated March 15, 2023.
6. Note on computing the deferred tax working - The management of the company has calculated the depreciation as per Income Tax Act in respect of Hotel Suba Elite (Baroda Hotel Undertaking) unit of Suba Palace Pvt. Ltd. on reasonable basis and the auditor have relied on the same.
7. Note regarding change in useful life of certain assets, however no base supporting for increased useful life was provided.
8. Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on 31/03/2022

Zircon Hospitality Private Limited

1. Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.

2. Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
3. Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Hotel Suba Star Private Limited

1. Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
2. Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.

18. Some of our Group Companies are engaged in the same line of business. Any conflict of interest in future may occur between our group companies may adversely affect our business, prospects, results of operations and financial condition.

We operate in the mid-market hotel sector, consisting of upscale, upper-midscale, midscale, and economy brands domestic as well as international. We primarily cater to guests across business, leisure, and religious tourism, delivering superior service standards at attractive price points. Our hotel portfolio encompasses a diverse range of business models, including owned, managed, revenue share & lease, and franchised properties. We currently categorize our hotel portfolio into four distinct hotels categories based on business models that includes owned, managed, revenue share & lease and franchised hotels.

Our group companies, Hotel Suba Palace Private Limited, 1589 Hotels Private Limited and Onyx hotels Private Limited are engaged in the same line of business i.e. Rooms & F & B. Further we have not executed any non-compete Agreement with any group companies.

As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, Group companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour our Group Company and there can be no assurance that our Group companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours or consolidate some of the operations of our Company with these companies. Any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details see “***Our Group Companies***” on page 206.

19. There are certain discrepancies in some of the corporate records relating to forms filed with the Registrar of Companies (RoC).

We have obtained the search report on RoC filing from the PCS firm M/s HRU & Associates vide their report dated September 19, 2024. According to that report, in the past, there have been instances of delays in filing statutory forms such as Form CHG-1, Form DIR-12, Form AOC-4, Form MGT-7, Form CHG-4 and Form MGT-14, as per the reporting requirements under the Companies Act, which have been subsequently filed by payment of an additional fee as specified by RoC.

Further, there have been certain discrepancies in relation to statutory filings required to be made by the company with the RoC under applicable laws, as well as certain other non-compliances incurred by our Company under the Companies Act details of which are provided hereunder which have been intimated to the RoC by way of filing e-form GNL-2 form through letter dated September 21, 2024. The details of such discrepancies and yet to file form are provided below:

- a) The company has not file two BEN-2 forms for changes in Significant Beneficial Ownership (SBO) during the financial year 2023-24. However, in order to comply with the Companies Act, the company is now attempting to file the forms with the Registrar of Companies (ROC). Despite these efforts, the company is encountering technical difficulties with the filing process. A support ticket has been raised with the Ministry of Corporate Affairs (MCA), but the issue remains unresolved.
- b) In previous years, the company did not comply with Sections 185 and 186 of the Companies Act, 2013, concerning loans, investments, guarantees, and securities since the financial year 2018-19. However, as of the date of the Draft Red Herring Prospectus (DRHP), the company is in compliance with Sections 185 and 186 of the Companies Act, 2013.

As on the date of this Draft Red Herring Prospectus, there has been no penalties imposed on our Company; however, we cannot assure that there will be no penalties in the future. In the event of any cognizance being taken by the concerned authorities in respect of the above, actions may be taken against our Company and its directors, in which event the financials of our Company, Directors, Key Managerial Personnel, and if any officer in default may be affected.

20. Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

Our business depends on our ability to successfully obtain payments from our customers for services provided. We provide credit periods to certain of our corporate customers. In the hospitality sector, we extend credit to our customers. Our credit customers include big corporates with good creditworthiness. Prior to extending credit to any corporate or private sector customer, we check their credit worthiness or verify the credit history from other hotels. The credit to public sector enterprises and government bodies may take longer to realize due to their internal approval processes.

Set out below are details of our trade receivables, trade receivables turnover ratio and debtor days as of and for the periods/years indicated:

Particulars	Financial Year 2024	Financial Year 2023	Financial Year 2022
Revenue from Operations (A) (₹ in lakhs)	5,227.65	3,503.30	2,017.70
(i) Opening Trade Receivables (1) (₹ in lakhs)	325.00	146.62	100.32
(ii) Closing Trade Receivables (2) (₹ in lakhs)	652.43	325.00	146.62
Average Trade Receivables (B = (i + ii)/2) (₹ in lakhs)	488.71	235.81	123.47
Trade receivables turnover ratio (in times) (C) = (A)/(B)	10.70 times	14.86 times	16.34 times
Debtors' days [#]	34.12 days	24.57 days	22.34 days

(1) Refers to the trade receivable balances as on the beginning of the financial year for each of Financial Years 2024, 2023 and 2022.

(2) Refers to the trade receivable balances as at the end of the period/year for each period/year respectively.

#Debtor Days = (Accounts Receivable / Revenue from operation) * 365

Macroeconomic conditions could result in financial difficulties, including insolvency or bankruptcy, for our customers for instance Go Air, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, all of which could increase our receivables or default on their payment obligations to us.

Any increase in defaults by our customers in the future may compel us to utilize greater amounts of our operating working capital, thereby adversely affecting our business, results of operations and cash flows. For information on pending legal proceedings in relation to payment defaults from our customers, see “**Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation by our Company**” on page 253 of this DRHP.

21. We rely on third parties for the quality services at our hotels. Any impact on the reputation of our hotels or the brands under which we operate or a failure of quality control systems at our hotels could adversely affect our business, results of operations and financial condition.

The performance and quality of services at our hotels are critical to the success of our business. Any incident where our hotels lack, or are perceived to lack, high standards of service quality may adversely affect our reputation. Quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hotels operators. At certain of our hotels, we are also dependent on third party service providers for providing certain ancillary guest services such as laundry, maintenance, security and car rental services. In the past three Financial Years, we have not experienced any material instances of negative branding of the brands under which our hotels are operated, nor have we experienced any material instances of deficient service quality or failures of quality control systems leading to terminations of material third party service provider agreements or adverse effects on our reputation. However, any real or perceived failure, deficiency or decrease in the quality of services rendered at our hotels in the future, whether on account of the hotel operators or any third-party service provider, could adversely affect our reputation, dilute the impact of our branding and marketing initiatives and result in negative reviews and feedback from our guests on online travel portals or social media and may cause guests to choose the services of our competitors

Set out below are details of certain ancillary guest services for the past 3 financial years:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Pest Control	11.96	0.29%	4.32	0.15%	2.35	0.12%
Car Hire Charges	13.76	0.33%	4.73	0.16%	-	0.00%
Laundry expenses	45.60	1.09%	30.40	1.04%	24.08	1.28%
Security Charges	7.79	0.19%	2.88	0.10%	1.67	0.09%

22. There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.

We are subject to ongoing reporting and compliance requirements and are required to make payments of periodic statutory dues, which we may not be able to undertake at all times. Our statutory dues payable amounted to ₹ 181.48 Lakhs on a consolidated basis as on March 31, 2024.

There have been delays in the past in payment of certain of our statutory dues, including in respect of property tax, provident fund, tax deducted at source, interest liability on goods and services tax, etc, some of which are yet to be paid. There can be no assurance that such defaults/ delays will not arise in the future. This may subject our Company and Subsidiaries to financial penalties and regulatory actions from respective government authorities which may adversely affect our business, financial condition and results of operations. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

23. Our Promoters - Mansur Mehta, Mubeen Mehta and one of our Promoter Group member Shabnam Mehta have provided guarantees to lenders for certain borrowing of our Company. Any failure of our Company to repay such borrowings could trigger repayment obligations on them.

Our promoters - Mansur Mehta & Mubeen Mehta and one of our Promoter Group member Shabnam Mehta have given guarantees in relation to certain borrowings availed by our Company, details of which are set out below:

Name of the guarantor	Entity in whose favour the guarantee has been provided	Maximum amount of the guarantee as of August 31, 2024
Mansur Mehta	HDFC Bank Limited	1526.44 lakhs
Mubeen Mehta		
Shabnam Mehta		

For further details, see “**Financial Indebtedness**” on page 242 of this DRHP.

Any default or failure by our Company to repay such borrowings in a timely manner or at all could trigger obligations of Mansur Mehta, Shabnam Mehta and Mubeen Mehta under their respective guarantees. Furthermore, in the event that Mansur Mehta, Shabnam Mehta and Mubeen Mehta withdraw or terminate their respective guarantees, our lenders in relation to such borrowings may seek alternate guarantees or seek the repayment of such borrowings. We may not be successful in procuring alternate guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such borrowings, which could affect our business prospects, financial condition, results of operations and cash flows.

24. Some of our Group Companies are engaged in the same line of business. Any conflict of interest in future may occur between our group companies may adversely affect our business, prospects, results of operations and financial condition.

We operate in the mid-market hotel sector, consisting of upscale, upper-midscale, midscale, and economy brands domestic as well as international. We primarily cater to guests across business, leisure, and religious tourism, delivering superior service standards at attractive price points. Our hotel portfolio encompasses a diverse range of business models, including owned, managed, revenue share & lease, and franchised properties. We currently categorize our hotel portfolio into four distinct hotels categories based on business models that includes owned, managed, revenue share & lease and franchised hotels.

Our group companies Hotel Suba Palace Private Limited, 1589 Hotels Private Limited and Onyx hotels Private Limited are engaged in the same line of business i.e. Rooms & F & B. Further we have not executed any non-compete Agreement with any group company.

As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, Group companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour our Group Company and there can be no assurance that our Group companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours or consolidate some of the operations of our Company with these companies. Any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details see “***Our Group Companies***” on page 206.

25. The music we play in our hotels’ lobbies and restaurant may be protected under the Copyright Act. As a result of such infringement our Company’s reputation may be damaged and the damages we may be required to pay, could have an impact on our cash flow.

We operate in the hotel and hospitality sector and provide a range of amenities designed to enhance the guest experience, including the playing of music in various common areas such as the lobby and restaurant. This practice, while integral to our service offering, carries a risk of copyright infringement.

Our use of pre-recorded music in common areas like lobbies and restaurants is governed by licensing agreements. We have obtained the necessary permissions from a collective licensing group to play these recordings. However, any changes in these licensing agreements, including potential revocation or modification of the licenses, could impact our ability to continue playing this music, which may adversely affect the customer experience and our operations.

Despite our efforts to adhere to copyright laws and secure appropriate licenses for the music we use, there is no absolute assurance that we will be shielded from potential claims. We have recently received a notice alleging copyright infringement related to our music playback. Such claims could result in legal disputes, financial penalties, and additional costs associated with obtaining licenses or negotiating settlements. Moreover, prolonged legal battles or repeated claims could adversely impact our company's reputation and guest perception, potentially affecting our business operations and revenue streams. This inherent risk of copyright disputes remains a challenge that could influence our financial performance and operational stability.

26. Our Company has entered into related-party transactions in the past and may continue to do so in the future. There can be no assurance that such transactions will not have an adverse effect on our results of operations, and financial condition.

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. These transactions include remuneration to Directors and Key Managerial Personnel and transactions with other ventures of our promoters, Group companies in which certain Key Managerial Personnel have significant influence.

While our Company confirms that all the related party transactions have been conducted on the arm’s length basis and they are in compliance with the relevant provisions of Companies Act, 2013 and other applicable laws, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. While we will conduct all related party transactions post-listing of the Equity Shares subject to the Board’s or Shareholders’ approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. Our Company will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. Furthermore, it is likely that we may enter into related party transactions in the future. While no such instance has occurred in the past, related party transactions may potentially involve conflicts of interest which may be detrimental to and have an adverse impact on our Company. In respect of loans or advances that our Company and Subsidiaries provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect on our business, results of operations, cash flows and financial conditions.

For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years, see “**Note 27– Related Party Transaction**” under the Chapter titled “**Restated Financial Statements**” on page 210.

27. We have been unable to locate certain of our historical corporate records.

Our company is unable to trace documents pertaining to our filing of Form 1 of Trupti Caterers and Hospitality Private Limited. Despite having conducted both physical and electronic search, we are unable to retrieve the same.

We cannot assure you that the filings were made in a timely manner or at all. We cannot assure you that, in future, we will not be subjected to any liability on account of non-availability of such records. Although no legal proceedings or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition, cash flows and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

28. Negative customer experiences or negative publicity surrounding our hotel properties or the CLICK, SUBA, Comfort, Quality, Clarion, RnB, GenX, brands could have an impact on ability to source customers. Thus, we may also incur higher expenses towards business promotion in the future, to source more customers which may have an adverse impact on our business and financial condition.

a. Negative customer experiences may have an impact on our ability to source customers

Any adverse publicity, whether or not accurate, relating to hospitality standards, quality of food or beverages we serve, public health concerns, illness, safety, injury or any news reports or government or industry findings concerning our hotel properties, the locations in which we operate or others operating across the hospitality industry supply chain could affect us. Further, our hotels are operated globally, and any negative publicity in relation to CLICK, SUBA, Comfort, Quality, Clarion, RnB, GenX brands in any of the jurisdictions where they operate, could adversely affect our business, reputation and financial condition. While we have not faced any negative publicity in relation to our hotel properties in the Financial Years 2024, 2023 and 2022, which led to a material adverse effect on our business or operations, any negative publicity in the future may lead to an effect on our business, financial condition, results of operations, cash flows and prospects.

b. We may need to incur higher expensed towards business promotion in the future

The table below sets forth the expenditure incurred towards business promotion, which include expenses incurred for sales and marketing, for the periods/years indicated:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (in ₹ lakhs)	% of total expenses	Amount (in ₹ lakhs)	% of total expenses	Amount (in ₹ lakhs)	% of total expenses
Business Promotion expenses	12.43	0.29 %	0.12	-	-	-

If we face any instances of adverse publicity, whether or not accurate, relating to hospitality standards, quality of food or beverages we serve, public health concerns, illness, safety, injury or any news reports or government or industry findings concerning our hotel properties, the locations in which we operate or others operating across the hospitality industry supply chain, or related to the CLICK, SUBA, Comfort, Quality, Clarion, RnB, GenX brands, we may be required to incur additional expenses towards advertising and promotional activities to attract customers. Further, we intend to explore acquisitions of assets and selective expansions, and accordingly, we may need to make greater investments toward advertising and promotional activity in new markets where we establish our hotels and/or serviced apartments. For further details in relation to our strategies on proposed plan, see “**Our Business**” on page 244 of this DRHP. For further information, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations**” on page 244 of this DRHP.

29. We are subject to certain covenants under our financing and novation agreements and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect our business, results of operations and financial condition.

The terms of our outstanding debt require us to comply with various covenants and conditions, such as maintaining certain financial ratios which are tested periodically. We are also subject to various covenants under our financing and novation agreements.

However, we cannot assure you that there will not be any instances of delays in repayment of borrowings or interest thereon in the future.

Such delays in repayment of borrowing or breaches of covenants may constitute events of default under the relevant facility agreements, which permit the lenders under each of the relevant facility agreements to terminate the facility agreement and declare the entire outstanding amounts under these loans due and payable, suspend further access to the debt facility by our Company, and in certain instances, declare the security created to be enforceable. Further, such events of default could also result in cross-defaults under certain other facility agreements, resulting in the outstanding amounts under such other facility agreements becoming capable of being declared due and payable immediately.

There is no assurance that we will be in compliance with such financial covenants in the future or there will be no delays in repayment of outstanding facility amounts.

- We will succeed in obtaining consents or waivers from its lenders;
- Our lenders will not declare amounts to be immediately due and repayable; or
- Our lenders will not impose additional operating and financial restrictions on us, or otherwise seek to modify the terms of the existing financing arrangements in ways that are materially adverse to us.

Any instances of event of defaults or cross-default under facility agreements in the future, may have an adverse impact on cash flows, financial condition, business, and operations of our Company. For more information regarding our indebtedness, see “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations — Indebtedness*” and “*Financial Indebtedness*” on pages 244, and 242, respectively.

30. Several expenses incurred in our operations are relatively fixed in nature, and our inability to effectively manage such expenses may have an adverse effect on our business, results of operations, cash flows and financial condition.

A portion of the expenses incurred in our operations, such as employee related costs, insurance costs, lease rentals for land, power and fuel and finance costs are relatively fixed in nature. Even if the demand for our hotels, serviced apartments or other services is adversely affected, we will be required to continue to incur such costs to maintain our properties. The table below sets out the details of such expenses for the periods/years indicated:

Particular	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Employee benefits expense	1030.08	24.72%	502.35	17.23%	293.23	15.54%
Insurance expenses	5.15	0.12%	3.59	0.12%	3.37	0.18%
Power and fuel	365.11	8.76%	292.07	10.02%	207.72	11.01%
Interest Cost	74.21	1.78%	67.57	2.32%	92.78	4.92%
Rent	529.16	12.70%	325.78	11.18%	201.78	10.69%
Total	2,003.71	48.08%	1,191.36	40.87%	798.88	42.34%

The above costs have been classified as fixed expenses based on their nature and may include semi-variable or variable components of expenses.

Our hotels may also be subject to increases in property charges, tax or regulatory charges, utility costs, insurance costs and administrative expenses. While we have not incurred any such increase in costs which led to a material effect on our business or operations in the past three financial years. Any such occurrences in the future may adversely affect our business, results of operations, cash flows and financial condition.

The hospitality industry experiences periodic changes in demand and supply, which we may not be able to predict accurately. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. As a result, during periods when the demand for our hotels decreases, the resulting decline in our revenues could have an adverse effect on our net cash flow, margins and profits. This effect can be more pronounced during periods of economic contraction, or slow economic growth. Similarly, when the demand for hotel rooms increases, our profitability increases disproportionately to the increase in revenues due to economies of scale and operating leverage. Further, during periods when we shut down our hotels for refurbishment and rebranding, we continue to incur certain fixed costs, while not deriving any revenue

from such property. Such occurrences could adversely affect our business, results of operations, cash flows and financial condition.

31. We have certain contingent liabilities disclosed in our financial statements and our financial condition could be adversely affected if any of these contingent liabilities materialize.

The following is a summary table of our contingent liabilities and commitments (to the extent not provided for) as of March 31, 2024, March 31, 2023, and March 31, 2022, as indicated in our Restated Financial Statements:

(₹ in Lakhs)			
Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Bank Guarantee given by the company	21.05	21.05	21.05
Total	21.05	21.05	21.05




For details, see “**Restated Financial Statements**” on page 210. Any or all of the above contingent liabilities may crystallize and become actual liabilities. In the event that any of our contingent liabilities crystallize, our business, financial condition, cash flows and results of operations may be adversely affected. Furthermore, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future.

32. Our Company’s logo and some other trademarks were not registered. However, applications for registration our trademarks have been filed with the trademarks authority. We may be unable to adequately protect our intellectual property and/ or be subject to claims alleging breach of third-party intellectual property rights.

As of the date of the Draft Red Herring Prospectus (DRHP), we have three trademark applications pending under the Trademarks Act, 1999, to register our brands in the name of our Company. Consequently, we do not currently enjoy the statutory protections granted to registered logos and brands. These applications are still under review by the relevant authorities.

Previously, these brand names were registered under “Suba Hospitality Private Limited” a group company. We have already initiated the necessary steps to transfer these registered trademarks from Suba Hospitality Private Limited to our Company.

Details of trademarks in India are as follows:

Brand Name/ Logo Trademark	Class	Registered in the name of group Company	Application No.	Date of Application/ Registration	Current Status
	43	2967552	413674 Temp# :10445690	April 06, 2024	Pending
	43	3028780	413674 Temp# :10445690	April 06, 2024	Pending
	43	2095292	413674 Temp# :10445690	April 06, 2024	Pending

We rely on our intellectual property rights for the success of our business and in order to protect our intellectual property, we obtain appropriate statutory registrations. For further details in relation to our intellectual property approvals, see “**Government and other approvals – Intellectual Property related approvals**” on page 265 of this DRHP.

We believe that trademarks and service marks are important assets to our business. The use of our, or those of our brand partners’, trademarks or logos by third parties could adversely affect our hotels’ reputation, which could in turn adversely affect our business and results of operations. Therefore, we take measures to protect our and our brand partners’ intellectual property by relying on Indian laws and initiating legal proceedings. However, such measures may not be adequate to prevent unauthorized use of our, or our brand partners’ intellectual property by

third parties and thus, we may not be able to prevent infringement of our or our brand partners' intellectual property. Further, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, our current and future trademarks are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims.

Successful infringement claims against us could result in significant monetary liability. Our defence of any such claim, regardless of its merit, could also be time consuming and divert management resources. In addition, resolution of claims may require us to cease using those rights altogether. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand. Furthermore, we cannot be certain that the equipment suppliers, from whom we purchase equipment (including related software to operate such equipment), have all requisite third-party consents and licenses for the intellectual property used in the equipment they manufacture. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties. While we have not faced any infringement or misappropriation claims in the Financials 2024, 2023 and 2022, any such occurrence in the future could have an adverse effect on our business, reputation, financial condition, cash flows and results of operations.

33. *The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be entirely at our discretion of the Management of our Company, based on the parameters as mentioned in the chapter titled "Objects of the Issue".*

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 95 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently revise the fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

If the Issue size is less than ₹ 10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. However, if applicable at any stage after the filing of the offer document, we will ensure compliance in accordance with the relevant regulations. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our finances. However, the deployment of the funds shall be subject to compliance of applicable laws and Audit Committee of the Company shall hence monitor the utilization of the issue proceeds.

34. *Our business is capital intensive and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations, cash flows and financial conditions.*

The hospitality industry is a capital-intensive industry, and our growth strategy may require us to raise additional funds or refinance our existing debt. We cannot assure you that such funds will be available to us on favourable terms, or at all. The amount and timing of such additional financing needs will vary depending on the timing of

our new hotel launches, potential acquisitions of new hotels, renovation and refurbishment costs for new and existing hotels and the amount of cash flow from our operations. Further, any incurrence of additional debt may increase our financing costs. Our ability to obtain additional capital on acceptable terms is subject to several uncertainties, including:

- investors “or lenders” perception of, and demand for our services;
- conditions of the Indian and other capital markets in which we seek to raise funds;
- our future results of operations, financial condition and cash flows;
- governmental regulation of foreign investment in the hospitality industry and the construction development of hotel projects;
- economic, political and other conditions in India; and
- governmental policies concerning external commercial borrowings.

Further, we are also required to incur expenses in relation to repairs and maintenance of hotel buildings and plant and equipment. Set out below are details of such repairs and maintenance expenses incurred in the Financial Years 2024, 2023 and 2022:

Expenses on Repairs and Maintenance	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Repairs and Maintenance (Including AMC) –	123.15	2.95	91.66	3.14	99.97	5.30

For further details, see “**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Financial Data**” on page 20 of this DRHP.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, delay in obtaining regulatory approvals, economic conditions, design changes, weather related delays, technological changes and additional market developments. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see “**Financial Indebtedness**” on page 242 of this DRHP. Also see “**Risk Factors**” on page 33 of this DRHP.

35. Our business is manpower intensive. It may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages, and if we are unable to engage new employees at commercially attractive terms, it could adversely affect our business, financial condition, cash flows and results of operations

Our operations are manpower intensive, and we are dependent on our staff for a significant portion of our operations. The success of our operations depends on the availability of and maintaining good relationships with our workforce. Shortage of skilled personnel or disruptions caused by disagreements with employees could have an adverse effect on our business, results of operations, financial condition and cash flows. Although we have not experienced any work stoppages in the last three financial years and till date of DRHP, we cannot assure you that we will not experience disruptions in work or our operations in the future.

Due to disputes, strikes, work stoppages, work slow-downs or lockouts or other problems with our employees, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

Our success also depends on our ability to attract, hire, train and retain personnel. An inability to recruit, train and retain suitably qualified and skilled personnel could adversely impact our business, results of operations, financial condition and cash flows.

We cannot assure you that attrition rates for our employees will not increase. Further, we are subject to stringent labour laws, and any violation of these laws may lead regulators or other authorities to order a suspension of certain or all of our operations. We may need to increase compensation and other benefits either to attract and retain personnel or due to increased wage demands by our employees, or an increase in minimum wages and that may adversely affect our business, results of operations, financial condition and cash flows.

36. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval

Our Company intends to deploy and utilize Net Proceeds raised pursuant to the Initial Public Offer in the manner set out in the chapter titled “*Objects of the Issue*” on page 95 in the Draft Red Herring Prospectus. In accordance with SEBI LODR Regulations and other applicable provisions, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such instance, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations and it may also lead to delay in deployment of funds per the proposed variation of the Objects to the Issue. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

37. Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business, cash flows and results of operations.

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, among other factors, is also dependent on our current and future results of operations, cash flows and financial condition, our ability to effectively manage risks. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations.

Any downgrade in our Company’s credit ratings in the future could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. For more information, see “*Financial Indebtedness*” starting at page 242 of this DRHP.

38. There are outstanding litigations against our Company, Directors, Promoters and Subsidiaries. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings against our Company, Directors, Promoters and Subsidiaries, which are pending at various levels of adjudication before different forums. A summary of criminal proceedings, tax proceedings, statutory and regulatory actions and involving our Company, Promoters, Directors, and Subsidiaries and pending material civil proceedings involving our Company, Promoters, Directors, and Subsidiaries, as identified by our Company pursuant to the Materiality Policy, is provided below:

(in ₹ Lakhs)

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in lakhs) *
Company						
By the Company	Nil	-	-	-	1	Nil
Against the Company	Nil	3	Nil	Nil	Nil	1.79
Directors***						
By the Directors	Nil	-	-	-	3	63.8

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in lakhs) *
Against the Directors	Nil	1	-	Nil	Nil	0.23
Promoters						
By the Promoters	Nil	-	-	-	1	Not Quantifiable
Against the Promoters	2	17	Nil	Nil	1	3,641
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our Group Companies which may have a material impact on our Company#						
Outstanding litigation which may have a material impact on our Company	Nil					

*To the extent quantifiable.

** Inclusive of the proceedings against our Chairman and Managing Director.

*** Inclusive of the proceedings against our Chairman and Managing Director and our Independent Director,

Further, as of the date of this DRHP, there are no pending litigation involving our Group Companies which has a material impact on our Company.

There can be no assurance that these outstanding legal proceedings will be settled in our favor or in favor of our Company, Directors, Promoters, Subsidiaries and Group Companies, as the case may be. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, please refer to “**Outstanding Litigation and Material Developments**” on page 253 of this DRHP.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

39. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited, exclusively commissioned and paid for by us for such purpose.

This Draft Red Herring Prospectus contains information from an industry report titled “*India Hospitality Industry Overview*” (“**JLL Report**”) prepared by Jones Lang LaSalle Property Consultants (India) Private Limited, an independent third-party research agency, commissioned and paid for by us, exclusively for the purpose of the Issue, for an agreed fee. Our Company commissioned this report for the purpose of confirming the understanding on the Indian hospitality business and the outlook of the industry in India. Further, the JLL Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends. The JLL Report may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. The JLL Report also highlights certain industry, peer and market data, which may be subject to assumptions.

There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely amongst different industry sources. Furthermore, such assumptions may change based on various factors. Further, the commissioned report is not a recommendation to invest or The JLL Report disinvest in our Company and shall not be construed as specialist advice or investment advice. is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this DRHP. In addition, we have not independently verified such third-

party information. Prospective investors are advised not to unduly rely on the JLL Report or extracts thereof as included in this DRHP, when making their investment decisions.

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

A copy of the JLL Report was available on the website of our Company at www.subahotels.com. In view of the foregoing, Investors may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the JLL Report. Investors should consult their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the JLL Report before making any investment decision regarding the Issue. For further details, please see “*Industry Overview*” on page 118. For the disclaimers associated with the JLL Report, please see “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Industry and Market Data*” on page 21.

40. We rely on independent contractors for construction and renovation of our properties and any failure on their part to perform their obligations could adversely affect our business, results of operations, and cash flows

We utilize independent contractors for renovation of our properties. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us, we may be unable to complete the project within the intended timeframe and at the intended cost. In the past three Financial Years, we have not incurred any significant losses as a result of our independent contractor’s failure to perform their obligations. However, if this occurs in the future, we may be required to incur additional cost or time to meet appropriate quality standards in a manner consistent with our project objective, which could result in reduced profits or, in some cases, significant losses which we may not be able to recover from the relevant independent contractor. We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality. While we have not faced any default in payment to the independent contractors, we cannot assure you that we will be able to continue engaging skilled third parties at reasonable rates and in the areas in which we undertake our projects.

41. We could be adversely affected due to misconduct or errors of our employees that are difficult to detect and any such incidents could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and damage our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

42. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations. The potential liability for any failure to comply with environmental laws or for any currently unknown environmental problems could be significant.

Our operations may be subject to environmental, health, safety regulations and other regulatory and/or statutory requirements in the jurisdictions we operate. Under various applicable environmental laws and regulations, we, as the owner or operator of real property may be liable for failing to maintain air and water pollution within prescribed levels, or for failing to comply with various environmental regulations while constructing and operating our hotels. We provide hospitality services, including sale of food and beverage, cleaning and housekeeping, at our hotels. In rendering such services, we are subject to a broad range of safety, environmental, food, real estate, taxation, labour, property tax and related laws and regulations. We are also subject to internal standard operating procedures under our hotel management agreements which impose controls on our operations. We are also subject to laws and regulations governing relationships with employees for minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour and work permits, as well as applicable food safety laws. Governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. For example, these regulations can often require us to purchase and install expensive

pollution control equipment or make changes to our existing operations to limit any adverse impact or potential adverse impact on the environment or the health and safety of our employees, and any violation of these regulations, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or a shutdown of our facilities. If there is any change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

For details of the key regulations applicable to us and the key approvals and licenses we are required to maintain, see “**Key Regulations and Policies in India**” and “**Government and Other Approvals**” beginning on pages 176 and 260 of this DRHP.

Further, regulations and policies in India may also impact the demand for, expenses related to and availability of our hotel services and rooms, and food and beverage operations. We are also subject to regulations, which are periodically amended, including relating to the sale, storage and service of food & beverages and hosting of events at our hotels. As a result of non-compliance with, or changes in, the applicable laws, such as changes in property tax and building regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked, be subject to enforced shutdowns or suffer a disruption in our operations or have other sanctions imposed on us by the regulatory authorities.

43. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our Company faces potential risks related to incidents of theft or damage to inventory. While we have not encountered such situations in the past, we acknowledge that there is a possibility of experiencing inventory losses due to various factors such as employee theft and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition.

Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance.

Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties, the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. In some cases, the losses incurred may exceed the insurance coverage, resulting in additional financial strain for the company.

44. We are subject to anti-bribery, anti-corruption and sanctions laws and regulations.

We are subject to anti-bribery and anti-corruption laws which prohibit us, our employees, agents and other intermediaries from bribing government officials for the purpose of obtaining or keeping business or otherwise obtaining favourable treatment. We operate in many parts of the country and have experienced governmental corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery and anti-corruption laws may conflict with local customs and practices. Our competitors in such jurisdictions may not be subject to the same anti-bribery and anti-corruption laws as we are, and accordingly, may be better placed than us to do business.

Our operations are also subject to laws and regulations restricting dealings with certain parties, including activities involving restricted countries, organizations, entities and persons that are subject to international economic sanctions.

We cannot assure you that we will not discover any issues or violations with respect to anti-bribery, anticorruption and economic sanctions laws by us or our employees, agents, sub-contractors or other intermediaries. Any violations of these laws and regulations could result in restrictions being imposed on our operations, affect our eligibility to bid for projects, expose us to administrative, civil or criminal penalties or fines and could adversely affect our reputation, business, financial condition, results of operations and the trading price of our Equity Shares.

45. While we currently have adequate insurance coverage, our insurance coverage in the future may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition.

Our operations are subject to inherent risks of damage to or destruction of property, plant and machinery, personal injury, loss of life, damage to the environment and other accidents, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. Some of our claims could exceed the scope of the coverage in effect or coverage of particular claims could be denied. We believe our insurance, which include group health insurance, money insurance, standard fire and special perils insurance, burglary and housebreaking insurance, machinery breakdown insurance and commercial general liability insurance have been adequate in the till the date of DRHP and Financials 2024, 2023 and 2022 to cover the normal risks associated with the operation of our business but there can be no assurance that our insurance coverage will be sufficient to cover all future claims. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition, cash flows and results of operations may be adversely affected. Additionally, such insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable.

The details of various insurance policies taken by us for our hotel properties are as follows:

Sr. No.	Insurance Company	Period of Insurance	Details	Sum assured (₹ in Lakhs)	Policy No.
1	ICICI LOMBARD	November 16, 2023, to November 15, 2024	Public Liability	500.00	4009/264235918/01/000
2	Bajaj Allianz General Insurance	May 03, 2024, To May 02, 2025	Standard Fire Policy	1,450.00	OG-25-1911-4094-00000002
3	Bajaj Allianz General Insurance	November 20, 2023, To November 19, 2024	Standard Fire Policy	2,700.00	OG-24-1911-4094-00000096
5	Bajaj Allianz General Insurance	January 13, 2024, To January 12, 2025	Standard Fire Policy	1,800.00	OG-24-1911-4057-00000124
6	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	800.00	OG-25-1920-4057-00000003
7	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	800.00	OG-25-1911-4057-00000088
8	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	957.00	OG-25-1911-4094-00000077
9	Bajaj Allianz General Insurance	December 14, 2023, to December 13, 2024	Commercial vehicle Policy	5.50	OG-24-1911-1803-00002022
10	Tata AIG General Insurance Company Ltd	April 19, 2024, to April 18, 2025	Vehicle Policy	3.50	6202807706 00 00
11	Bajaj Allianz General Insurance	December 14, 2023, to December 13, 2024	Commercial vehicle Policy	3.67	OG-24-1911-1803-00002023
12	Tata AIG General Insurance Company Ltd	May 17, 2024, To May 16, 2025	Vehicle Policy	12.40	6202900970 00 00
13	HDFC ERGO General Insurance company limited	September 26, 2023, to September 25, 2024	Vehicle Policy	8.40	23142049188022 01000

Further, due to the current significant amount of our insurance coverage, we incur high insurance premium costs. Details of the insurance premium costs incurred by us are set out below:

Particulars	Financial Year 2024	Financial Year 2023	Financial Year 2022
Insurance premium costs (₹ in lakhs)	5.15	3.59	3.37
Insurance premium cost as a % of revenue from operations	0.10%	0.10%	0.17%

If we were to make 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. While we have not faced any such instances in the month ended August 31, 2024 and Financials 2024, 2023 and 2022 except one instance of Natural calamity of Flood at Bhuj location not having any adverse effect on operation except minor halt on business operation which later on recovered, Insurance claimed was of value - ₹ 3,49,861 which led to a material adverse effect on our business or operations, if our losses significantly exceed or differ from our insurance coverage or cannot be recovered through insurance in the future, our business, results of operations, cash flows and financial condition could be adversely affected.

Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have a material adverse impact on our business, results of operations, cash flows and financial condition. For further details, see “**Our Business – Insurance**” on page 175 of this DRHP.

Further, our insurance coverage expires from time to time, and we apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

46. We are required to comply with data privacy regulations and any non-compliance in the future may have an adverse impact on business, results of operations, cash flows and financial condition.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur significant expenditure and devote considerable time to compliance efforts. The existing and emerging data privacy laws, rules and regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Compliance with these regulations may require changes in the way data is collected, monitored, shared and used, which could increase operating costs or limit the advantages from processing such data. In addition, non-compliance with data privacy regulations may result in fines, damage to reputation or restrictions on the use or transfer of information. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain and are also subject to change and may become more restrictive in the future. For instance, the Digital Personal Data Protection Act, 2023 (“**PDP Act**”) which has received the assent of the President on August 11, 2023, provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides several exemptions for personal data processing by the Government. It also provides for the establishment of a Data Protection Board of India for taking remedial actions and imposing penalties for breach of the provisions of the PDP Act. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Act.

In addition, our systems and proprietary data stored electronically, including our guests’ sensitive personal and financial information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality, unless certain ransom money is paid. If such unauthorized use of our systems were to occur, data related to our customers and other proprietary information could be compromised. The integrity and protection of our customer, employee and company data is critical to our business. Our customers expect that we will adequately protect their personal information. A theft, loss, fraudulent or unlawful use of customer, employee or company data could harm our reputation or result in remedial and other costs, liabilities, fines or lawsuits.

47. The success of our business is dependent on our ability to anticipate and respond to customer requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences or if we are unable to deliver quality service as compared to our competitors.

We are engaged in the hospitality industry and are driven by the quality of service we provide and the expectations of our customers. The hospitality industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. We need to evolve the services offered by us in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time. We strive to keep up with evolving customer requirements to enhance our existing business and level of customer service. For further information, see “**Our Business - Our Strategies**” on page 155 of this DRHP. Our inability to identify, anticipate, understand and address contemporary and evolving customer preferences or to deliver quality service as compared to our competitors could materially and adversely affect our business.

The market perception of our hotels and services may change and this could impact our continued business success and future profitability. If we are unable to adapt our services successfully or meet changes in consumer demands and trends, our business, financial condition, cash flows and results of operations may be materially and adversely affected.

The quality and delivery of our services at our hotels are critical to the success of our business, which requires enhancement to match the evolving customer preferences. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hospitality personnel, the quality training program, and our ability to ensure that such personnel adhere to our policies and guidelines. Any failure or deterioration of our quality control systems, or our inability to deliver quality services as compared to our competitors, could materially and adversely affect our business, financial condition, results of operations, cash flows and reputation.

48. *We may be unable to successfully grow our business in new geographies in India, which may adversely affect our business prospects, results of operations, financial condition and cash flows.*

We intend to expand our portfolio to new geographies across India, through our objects with a focus on geographies which have potential to attract significant traffic from business and leisure travellers (including select tier 1 and tier 2 cities and tourist destinations which will cater to the domestic leisure traveller). For more details, see “*Objects of the Issue*” on page 95 of this DRHP. However, there is no assurance that we will be able to grow our business in these geographies, which may adversely affect our business prospects, results of operations, financial condition and cash flows. Inability to access infrastructure, certain logistical challenges in these regions and our relative inexperience with certain new markets, may prevent us from expanding our presence in these regions. We may also be unable to compete effectively with the services of our competitors who are already established in such regions. Our expansion plans may also result in increased advertising and marketing expenditure and challenges caused by distance, language and cultural differences. Further, the demand for our services may not grow as anticipated in certain new geographies if we are unable to grow our business in such regions.

49. *We are subject to a variety of risks relating to owning real estate assets including changes in local markets or neighbourhoods, lack of liquidity of real estate assets, uncertainty of market conditions, legal proceedings or regulatory actions by statutory authorities, which may have an adverse impact on our business and operations.*

Our principal assets are our hotels and accordingly, we are subject to risks that generally relate to real estate assets. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate hotels. Changes in local markets or neighbourhoods may diminish the value of the real estate assets we hold and may impact our ability to dispose off real estate assets, if required, on beneficial terms, which would depend on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers.

We are also subject to the risk that government agencies in India may exercise rights of compulsory acquisition of certain land parcels. If such rights are exercised against land parcels pertaining to one or more of our hotels or against land parcels that we otherwise own in the ordinary course of our business, it could require us to relinquish such land and may have an adverse impact on our operations. Additionally, the compensation paid pursuant to such acquisition may not be adequate to compensate for the loss of land and revenue being generated from the hotel built on such land.

We cannot predict the various market conditions affecting real estate assets that may exist at any time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future, if required. Further, the changes in law and regulation and fiscal policies require us to incur substantial compliance costs.

50. *Any failure of the information technology systems used in our operations could impair our ability to effectively provide services, which could damage our reputation and adversely affect our business and operations.*

We have implemented third-party (IDS and Hotelogix) Property Management System (PMS) reservation systems for bookings across all our hotels and is supported by certain network and infrastructure programs, which assist us in recording customer reservations, profiles, preferences, billing details and payments, among other information. These products are integrated with programs that relate to matters such as payables, receivables and inventory. We rely on our computer systems and network infrastructure across our operations, including point-of-sale processing at our locations. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, worms and other disruptive problems. Any damage to, or failure of, our computer systems or network infrastructure which causes an interruption in our operations, could subject us to litigation or remedial actions by regulatory authorities. In addition, a significant portion of our sales are by credit or debit cards. Other hospitality businesses have experienced security breaches in which credit and debit card information of their customers has been stolen. If this or another type of breach occurs at any of our locations, we may become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our customers’ credit or debit card information. Although we conduct auditing and testing for weaknesses in our systems, controls, firewalls and encryption and intend to maintain and upgrade our security technology and operational procedures to prevent such damage, breaches or other disruptive problems, there can be no assurance that these security measures will be successful. Any claim, proceeding or actions as a result of a breach of our systems or a failure of our operational controls, or any adverse

publicity resulting from these allegations, could materially and adversely affect our business, financial condition and results of operations.

51. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue price of the equity shares have been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information see “***Basis for Issue Price***” on page 108. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

52. Our Company may be subject to the risk of inaccuracies, errors or contradictions in property records and may not be able to identify or correct defects or irregularities in title to the properties which we own, lease or intend to acquire in connection with the development or acquisition of new properties.

Property records in India are generally maintained at the state and district level and in local languages and are updated manually through physical records. Such manual update processes may result in inaccuracies, errors or contradictions between the records maintained by different relevant authorities, or the approvals obtained in relation to the properties located on these lands, which could affect the reliability of such records. Further, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land.

Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our properties are or will be situated may arise. Also, such disputes, whether resolved in our favor or not, may divert management’s attention, harm our reputation or otherwise disrupt our business.

If any of the conveyance instruments, lease agreements or other agreements entered into by us are not duly registered and adequately stamped, we may face challenges in enforcing them as such documents may be inadmissible as evidence in a court in India, which may cause disruptions in our operations or result in our inability to continue to operate from the relevant locations. While we have obtained title opinions from local counsel and relevant experts on the properties over which our resorts and other properties are located, we may not be able to assess, identify or address all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances, inadequate stamp duty payment or adverse possession rights.

For further details related to our properties, please see “***Properties***” under chapter titled ‘***Our Business***’ beginning on page 172 of this Draft Red Herring Prospectus.

53. An inability to establish and maintain effective internal controls could lead to an adverse effect on our business, results of operations, cash flows and financial condition.

Our success depends on our ability to effectively utilize our resources and maintain internal controls. We take reasonable steps to maintain appropriate procedures for compliance and disclosure. We also maintain effective internal controls over our financial reporting, to enable us to produce reliable financial reports and prevent financial fraud. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected. While we have not faced any lapses in or internal controls in the financial years 2024, 2023 and 2022, any such lapses in the future may lead to an adverse effect on our business, financial condition, cash flows and results of operations.

54. *Our Company has issued Equity Shares during the preceding one year at a price that may be below the Issue Price (other than Bonus Issue)*

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Issue Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see “*Capital Structure*” on page 83.

55. *Our Company’s ability to pay dividend in the future will depend on several factors, including but not limited to our Company’s earning, capital requirements, contractual obligation, applicable legal restrictions and overall financial position.*

Our Company has not declared dividends on the Equity Shares since incorporation, i.e., 1997. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure requirements and restrictive covenants under financing arrangements that we may enter into.

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. For details, see “*Dividend Policy*” on page 209 of this DRHP. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

56. *The COVID-19 pandemic affected our business and operations and any future pandemic or widespread public health emergency in the future, could affect our business, financial condition, cash flows and results of operations.*

The hospitality industry in India has been severely affected by the global outbreak of the COVID-19 pandemic since early 2020 due to reduced traveller traffic and government-mandated restrictions on movement. On March 14, 2020, the Government of India declared COVID-19 as a “notified disaster” for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown beginning on March 25, 2020. The global impact of the COVID-19 pandemic rapidly evolved and public health officials and government authorities responded by taking measures, including in India where our hotels are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting domestic and overseas travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. In response to new strains and subsequent waves of COVID-19 pandemic, the Government of India and state governments periodically re-imposed lockdowns, with limited and progressive relaxations.

The COVID-19 pandemic adversely affected our financial and operating performance and certain aspects of our business operations in the following ways, among others:

- domestic and overseas travel restrictions, including airport closures, may result in lower demand for rooms at our hotels and adversely affect our Average Occupancy and ARR;
- increased cost of operations of our hotels to ensure higher standards of disinfection and cleanliness as well as disinfection costs;
- reduced revenue from our food and beverage operations due to changing consumer behaviour towards dining out and greater usage of food delivery services;
- limitation of size of gatherings and events may result in lower demand for MICE facilities at our hotels;
- employees that are suspected of being infected with the COVID-19 pandemic as well as other employees that have been in contact with those employees may be required to be quarantined, and our employees may be restricted by travel and other lockdown measures imposed in India and overseas; this could result in a temporary reduction in the numbers of personnel or delays and suspension of operations as a health measure, which could have an adverse effect on our business and operations;
- the use of our premises for COVID-19 measures; and
- increased risks emanating from process changes being implemented, such as technology, oversight and productivity challenges due to an increase in number of individuals working from home.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition, cash flows and results of operations.

57. *We have not filed Form CHG-1 in pursuance to a Rs. 170,410,000 loan extended to us by HDFC Bank. While this is because the property to be mortgaged has not yet transferred to our Company following an NCLT Order, an absence of a formally registered charge could lead to increased scrutiny from regulatory authorities and this discrepancy could also undermine investor confidence and create a doubt regarding our creditworthiness.*

Our company secured a loan of ₹ 17,04,10,000 from HDFC Bank on December 5, 2023. In connection with this loan, a charge was created over our properties located at Pithambar, Madhya Pradesh and Vadodara, Gujarat. However, we have not yet filed Form CHG-1 to officially register this charge. This delay arises because the properties that serve as security for the loan are still registered under the name of another company, Zircon Hospitality Private Limited (“Zircon”). Although the loan was transferred to our company pursuant to an NCLT order dated March 15, 2023, which led to Zircon being amalgamated with our Company, the formal transfer of ownership of the property to our company is completed, and we have submitted required documents to create the charge once technical issue will be resolved from HDFC Bank Limited same will be filed.

While we have received a letter from the bank attesting to the reasons in delay of filing Form CHG-1, the absence of a registered charge could expose our company to risks such as increased scrutiny from regulatory authorities, potentially leading to penalties or adverse actions. Further, this discrepancy may also undermine investor confidence and create a doubt regarding our creditworthiness and ability to raise future capital.

58. *Our Corporate Promoters along with Promoter Group will continue to retain majority shareholding in our Company after the Issue, which will allow them to determine the outcome of the matters requiring the approval of the shareholders.*

Our Promoters along with the Promoter group will continue to hold collectively up to [●] of the Post Equity Share Capital of the Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

59. *We are exposed to a variety of risks associated with safety, security and crisis management including risks associated with natural or man-made threats and accidents, which could cause an adverse impact on our business and operations.*

We are committed to ensuring the safety and security of our guests, customers, employees, and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, health crises of guests, sexual harassment at the workplace and petty crimes which could affect guest or customer or employee experience, cause loss of life, sickness or injury and result in compensation claims, fines from governmental authorities, litigation and impact our reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us to significant reputational damage. For details in relation to the impact of the COVID-19 pandemic on our business, see “**Risk Factors – The COVID-19 pandemic affected our business and operations and any future pandemic or widespread public health emergency in the future, could affect our business, financial condition, cash flows and results of operations**” on page 63 of this DRHP. In the event that we face a similar incident in the future, our operations may be disrupted in a similar manner, which may result in major loss of revenues. Such incidents, whether natural or man-made, could disrupt business operations and have a material adverse effect on our business, cash flows and financial condition.

Further, any accidents or any criminal activity at our hotels may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could also subject us to litigation, which may increase our expenses in the event we are found liable and adversely impact our results of operation, cash flows and financial condition. While we have not faced any such events that led to a material effect on our business or shutdown of our operations in the Financial years 2024, 2023 and 2022, any such events in the future could affect our reputation and cause a loss of consumer confidence in our business.

60. *We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.*

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company. Further, the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of see “*Objects of the Issue*” on page 95.

61. *We may not be successful in implementing our business strategies.*

The success of our business will depend greatly on our ability to effectively implement our growth strategies. For further details on our strategies, see “*Our Business– Business Strategies*” on page 65. There can be no assurance that we will be able to successfully execute our strategies, which may adversely affect our business, financial condition, cash flows and results of operations. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, cash flows and profitability

62. *In the event there is any delay in the completion of the Issue, or delay in schedule of implementation, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.*

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled “*Objects of the Issue*” on page 95. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

63. *The requirements of being a public listed company may strain our resources and impose additional requirements.*

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange

External Risk factors

64. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Financial turmoil in Asia, Europe and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a

significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For example, the full-scale military invasion of Russia into Ukraine and the subsequent sanctions placed on Russia by various countries has substantially affected the economic stability of the world and such volatility could impact our Company's growth. In addition, the market price of oil has risen sharply since the commencement of hostilities in Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

In addition, the USA is one of India's major trading partners and any possible slowdown in the American economy could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had, and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

65. Challenges that affect the dye industry will have an effect on our operations.

As we are engaged in the dye industry, we are impacted by challenges that affect the industry in general. These include general economic conditions and outlook, improvements in technologies, increase in operating costs, government regulation and policy and importantly, our competitive position in the market in general. These factors will impact us and our business on an ongoing basis. We will be constrained to respond to changes adequately to remain profitable, including bringing about changes to operations, cutting down on costs, and reassessing growth plans and strategies. We are unable to predict these challenges and cannot assure you that we will continue to maintain our current levels of financial performance.

66. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

67. Compliance with applicable health, safety, environmental and other governmental regulations may be costly and adversely affect our results of operations.

Compliance with applicable health, safety, environmental and other governmental regulations is time consuming, costly and requires a number of dedicated personnel. We are subjected to payment of fees and levies on an ongoing basis with respect to a number of licences, approvals, consents, and permissions we are required to obtain from governmental authorities. We are required to periodically maintain a number of records and registers and file a number of returns. Ensuring compliance requires that we hire trained personnel across our locations. Our compliance costs may adversely affect our revenue.

68. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease, and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In

addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

69. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

70. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 323 of Draft Red Herring Prospectus.

71. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

72. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter, or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium to the market price or would otherwise be beneficial to the shareholders. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

73. *You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹ 1 lakh, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

SECTION III – INTRODUCTION THE ISSUE

The following is the summary of the Issue:

Particulars	Details
Equity Shares Issued :⁽¹⁾⁽²⁾ Present Issue of Equity Shares by our Company	Issue of 65,70,000 Equity Shares of ₹10/- each for cash at a price of ₹[●] per Equity Share (including a Share premium of ₹[●] per Equity Share) aggregating upto ₹[●] Lakhs
Of which:	
Issue Reserved for the Market Maker	[●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- per Equity Share (including a Share Premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs
Net Issue to Public	[●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share (including a Share Premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs
Of which:*	
Qualified Institutional Buyers Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares of ₹ 10/- each for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] lakhs
Of which:	
(i) Anchor Investor Portion	[●] Equity Shares of ₹ 10/- each for cash price of ₹[●]/- per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] Lakhs
(ii) Net QIB portion (assuming Anchor Investor Portion is fully)	[●] Equity Shares of ₹ 10/- for cash price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] Lakhs
Of which:	
Allocation to Non-Institutional Portion	Not less than [●] Equity Shares of ₹10/- each for a cash price of ₹[●]/- per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to [●] Lakhs
Allocation to Retail Individual Investors ⁽⁵⁾	Not less than [●] Equity Shares of ₹10/- each for a cash price of ₹[●]/- per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to [●] Lakhs
Pre-Issue and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,74,43,316 Equity Shares of ₹10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of ₹10/- each
Use of Proceeds	For further details, see 'Objects of the Issue' on page 95 of this Draft Red Herring Prospectus.

*Subject to finalization of the Basis of Allotment number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our Company in terms of Regulation of 229(2) read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company is being offered to the public for subscription.
- (2) The Issue has been authorized pursuant to a resolution of our Board dated August 09, 2024, and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on August 23, 2024.
- (3) The SEBI (ICDR) Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional Bidders.
- (4) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer see “*Issue Procedure*” on page 291 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

Restated Consolidated Balance Sheet

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a)Share Capital	475.73	222.85	222.85
(b)Reserves and surplus	2,757.31	1,870.28	1,591.96
(c)Share Suspense A/c	-	252.88	252.88
Non-current liabilities			
(a)Long-term borrowings	1,053.73	377.34	551.82
(b)Deferred tax liabilities(Net)	320.94	273.32	207.84
(c)Long-term provisions	16.16	8.49	5.62
Current liabilities			
(a)Short-term borrowings	3,519.32	4,231.85	3,646.60
(b)Trade payables			
(i)Total outstanding dues to micro and small enterprises	-	3.51	4.34
(ii)Total outstanding dues of creditors other than micro and small enterprises	784.40	613.63	466.35
(c)Other Current liabilities	623.60	407.69	180.24
(d)Short-term provisions	455.92	261.32	1.79
Total	10,007.09	8,523.16	7,132.29
ASSETS			
Non-current assets			
(a)Property, Plant & Equipment and Intangible Assets			
(i)Tangible Assets	4,218.85	4,245.15	4,233.63
(ii)Intangible assets	774.62	851.46	137.90
(iii)Capital Work-in-progress	1,842.38	1,125.25	927.49
(b)Other non-current assets	204.71	145.87	138.09
Current assets			
(a)Inventories	13.71	3.19	3.81
(b)Trade receivables	652.43	325.00	146.62
(c)Cash and cash equivalents	375.24	256.79	91.46
(d)Short-term loans and advances	1,266.19	1,289.97	1,284.18
(e)Other current assets	658.95	280.49	169.12
Total	10,007.09	8,523.16	7,132.29

Restated Consolidated Profit and loss

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Revenue from operations	5,227.65	3,503.30	2,017.70
Other incomes	71.96	16.57	6.64
Total Revenue[A]	5,299.61	3,519.86	2,024.34
Expenses:			
Cost of materials consumed	532.31	409.51	296.42
Employee benefits expenses	1,030.08	502.35	293.23
Finance Cost	49.88	25.74	10.82
Depreciation and amortization expenses	238.38	265.52	269.85
Other expenses	2,316.87	1,711.80	1,017.03
Total expenses[B]	4,167.53	2,914.92	1,887.36
Profit before exceptional and extraordinary items and tax (A-B)	1,132.08	604.95	136.98
Exceptional items	-	-	-
Profit before extraordinary items and tax	1,132.08	604.95	136.98
Extraordinary items	-	-	-
Profit before tax	1,132.08	604.95	136.98
Tax expense			
(1)Current tax	188.60	260.00	3.12
(2)Deferred tax	47.61	65.48	(8.86)
3)(Excess)/Short Income Tax Provision of earlier year	-	1.14	(0.04)
Profit/(Loss) for the period	895.87	278.32	142.76
Earnings per share of Rs10/- each			
(1)Basic EPS (Rs)	5.61	1.87	0.96
(2)Diluted EPS (Rs)	5.61	1.87	0.96

Restated Consolidated Cash flow statement

Particulars	March 2024 (Rs in Lakhs)	March 2023 (Rs in Lakhs)	March 2022 (Rs in Lakhs)
Cash Flow from Operating Activities			
Restated Profit Before tax	1,132.08	604.95	136.98
Adjustments for:			
Depreciation, amortisation and impairment - net of capitalisation	238.38	265.52	269.85
Finance costs	49.88	25.74	10.82
Forex Difference due to convergence to INR	(8.83)	-	-
Non-Cash item	-	15.78	-
Interest income	(4.67)	(6.98)	(0.88)
Operating profit before working capital changes			
<u>Adjustment for changes in:</u>			
Increase/(Decrease) in Trade Payables	167.26	146.45	358.21
Increase/(Decrease) in Other current liabilities	215.91	227.44	(84.90)
Increase/(Decrease) in Short term Provision	194.60	259.53	(30.56)
(Increase)/Decrease in Trade Receivables	(327.43)	(178.38)	(46.30)
(Increase)/Decrease in Inventories	(10.52)	0.62	(1.75)
(Increase)/Decrease in Loans and advances	23.78	(5.79)	134.17
Increase/(Decrease) in Long Term Provision	7.67	2.88	0.89
(Increase)/Decrease in Other current assets	(378.47)	(111.37)	(52.31)
(Increase)/Decrease in long-term loans and Advances	(58.84)	(7.78)	(134.59)
Cash generated from Operations			
Income Tax paid	(188.60)	(261.14)	(3.08)
<u>Net cash (used in)/ generated from Operating Activities [A]</u>	1,052.19	977.46	556.56
Cash Flow from Investing Activities			
Payments for acquisition of property, plant and equipment and intangible assets	(135.25)	(990.60)	(48.77)
Payments made for Capital work-in-progress	(717.12)	(213.54)	(466.06)
Interest received	4.67	6.98	0.88
<u>Net cash (used in) / generated from Investing Activities [B]</u>	(847.70)	(1,197.17)	(513.95)
Cash flow from financing Activities			
Finance costs	(49.88)	(25.74)	(10.82)
Repayment of long term borrowings	(185.32)	(211.11)	(2,618.70)
Proceeds from long term borrowings	861.70	36.64	-
Repayment of short term borrowings	(1,906.13)	585.25	2,580.31
Proceeds from short term borrowings	1,193.59	-	-
<u>Net cash generated from / (used in) financing activities [C]</u>	(86.04)	385.03	(49.22)
NET CASH INFLOW [A+B+C]	118.46	165.32	(6.61)
Opening cash and cash Equivalents	256.79	91.46	98.07
Closing Cash and Cash Equivalents as per Cash flow statement	375.24	256.79	91.46
Closing Cash and Cash Equivalents as per Balance Sheet	375.24	256.79	91.46

GENERAL INFORMATION

Our Company was incorporated as “Trupti Supercaterers and Hotels Private Limited” on October 23, 1997, is required for the as a private limited company under the Companies Act, 1956, at Mumbai, with a certificate of incorporation granted by the Registrar of Companies, Mumbai (“RoC Mumbai”). The name of the company was subsequently changed to “Trupti Caters and Hotels Private Limited” pursuant to a fresh certificate of incorporation granted by RoC Mumbai on May 21, 2008. Further the name of the company was subsequently changed to “Hotel Suba Star Private Limited” pursuant to a fresh incorporation granted by RoC Mumbai on October 8, 2014, and then to “Suba Hotels Private Limited on October 11, 2023. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on October 30, 2023, our name was changed to “Suba Hotels Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad (“RoC”) on November 17, 2023. For further details in relation to the change in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 182 of this Draft Red Herring Prospectus.

Registration Number: 120713

Corporate Identity Number: U99999GJ1997PLC120713

Registered Office

Hotel Suba Star
Judges Bungalow Road
Near Akash Tower
Bodakdev Ahmedabad
Gujarat 380 015

Corporate Office*

B2-1004, 10th Floor
Marathon Innova
Ganpat Rao Kadam Marg, Opp, Peninsula Park
Delisle Road
Lower Parel, Mumbai-400 013

*Pursuant to Section 128 of Companies Act, 2013, Company has passed a Board Resolution to keep and maintain books and accounts, relevant books, papers and financial statements of the Company at the Corporate Office.

Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

ROC Ahmedabad

ROC Bhavan, Opposite
Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad 380 013

Board of Directors

Name And Designation	DIN	Address
Mansur Mehta <i>Chairman and Managing Director</i>	01643019	Flat number 3003, 30 th floor, C Wing, Viverea building, Sane Guruji Marg, Jacob Circle, Mumbai 400 011
Mubeen Mehta <i>Whole-Time Director and CEO</i>	03156531	Flat number 3003, 30 th floor, C Wing, Viverea building, Sane Guruji Marg, Jacob Circle, Mumbai 400 011
Girish Bhatt <i>Executive Director</i>	05192309	A 102, Makwana Building, Phiroz Shah Mehta Road, Vile Parle East, Mumbai 400 057
Chandrashekhar Payannavar <i>Independent Director</i>	00420108	Gladys Alwares, Road off Pokhran Road, No 2, Thane (West) 400 610

Name And Designation	DIN	Address
Sunil Patel <i>Independent Director</i>	02614134	901, Earth Galaxy, Dr Ambedkar Road, Dadar (East), Mumbai 400 014
Nidhi Shah <i>Independent Director</i>	10503099	Near Lions Club, V. P. Road, Mulund, Mumbai 400 080

For further details of our Directors, see “*Our Management*” on page 188 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Sonam Aggarwal is our Company Secretary and Compliance Officer. Her contact details are as follows:

Sonam Aggarwal

Hotel Suba Star

Judges Bungalow Road

Near Akash Tower

Bodakdev, Ahmedabad

Gujarat - 380 015

Tel: 022-24825101

E-mail id: compliance@subahotels.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Issue related grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the issue.

In terms of SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. In terms of the SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint.

All grievances relating to applications submitted through the Registered Broker and/or a stockbroker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

Book Running Lead Manager

Unistone Capital Private Limited

A/ 305, Dynasty Business Park

Andheri-Kurla Road

Andheri East, Mumbai 400 059

Tel: +91 22 4604 6494

E-mail: mb@unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Contact Person: Brijesh Parekh

Website: www.unistonecapital.com

SEBI Registration number: INM000012449

Statement of responsibilities of the Book Running Lead Manager

Unistone Capital Private Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Legal Counsel to the Issue

Rajani Associates, Advocates & Solicitors

204 – 207, Krishna Chambers

59, New Marine Lines

Mumbai 400 020

Maharashtra, India

Telephone: +91 22 4096 1000 | +91 9820041647

Email ID: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Registrar to the Issue

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park

Next to Ahura Centre, Mahakali Caves Road

Andheri (East), Mumbai -400093, Maharashtra, India

Tel: 022-62638200

E-mail: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Vinayak Morbale

Banker to the issue

Escrow Collection Bank(s)/ Refund Bank and / Public Issue Account Bank

[•]

Sponsor Bank(s)

[•]

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBE process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

In terms of SEBI circular No. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stockbroker's network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registrar and Share Transfer Agents

In terms of SEBI circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Self- Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks eligible as sponsor banks for UPI Mechanism, including details such as name and contact details, are provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>, or such other websites as updated from time to time.

Designated Collecting Depository Participants

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statutory Auditor of our Company

Shah & Taparia, Chartered Accountants

203, Centre Point Building, 100
Dr. Baba Saheb Ambedkar Road
Opposite Bharatmata Theatre, Lalbaug
Parel, Mumbai-400 012

E-mail: info@shahtaparia.com

Firm Registration Number: 109463W

Peer Review Number: 013634

Changes in Auditors

Except as detailed below, there have been no changes in the statutory auditors of the Company during the last

three years:

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
Shah & Taparia, Chartered Accountants <i>Firm Registration Number: 109463W</i>	<i>Address:</i> 203, Centre Point Building, 100 Dr. Baba Saheb Ambedkar Road, Opposite Bharatmata Theatre, Lalbaug, Parel, Mumbai 400 012 <i>E-mail:</i> info@shahtaparia.com	January 30, 2024	Appointment due to casual vacancy
M. H. Dalal & Associates <i>Firm Registration Number: 112449W</i>	<i>Address:</i> 301/308 Balaji Darshan, Tilak Road, Santacruz (West) <i>E-mail:</i> mhdalal@gmail.com	January 4, 2024	Due to Recent order dated June 28, 2023 by National Financial Reporting Authority on the firm

Bankers to the Company

HDFC Bank Ltd

Unit No. 401 & 402, 4TH floor
Tower B, Peninsula Business Park
Lower Parel, Mumbai 400013
Telephone Number: 022-33958055
Contact person: Akshat Tandon
Website: www.hdfcbank.com
E-mail: akshat.tandon@hdfcbank.com

IPO Grading

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 19, 2024 from Shah & Taparia, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) examination report, dated August 30, 2024 on our Restated Financial Statements in this Draft Red Herring Prospectus (ii) Statement of Special Tax Benefits dated September 19, 2024 and such consent has not been withdrawn as on the date of filing of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 19, 2024 from M/s HRU & Associates (Hemanshu Upadhyay), practicing Company Secretary in whole time practice, to include its name as a practicing company secretary under Section 26(5) of the Companies Act and as an “expert” as defined under Section 2(38) of the Companies Act and in respect of their certificate dated September 19, 2024 issued by them in connection with the past compliances of the Company as per applicable laws.

Our Company has received written consent dated September 11, 2024, from M/s FRAMES, (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwalla), to include its name as a Structural Engineer to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 11, 2024, issued by them in connection with the civil work for the objects of the issue.

Our Company has received written consent dated September 12, 2024, from O&A Architects, (Proprietorship firm of Obaid Aziz Hakim) to include its name as an Independent Architect to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 12, 2024, issued by them in connection with the interior work for the objects of the issue.

Consent dated September 19, 2024 from M/s Sharma Anil & Co (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), Structural Engineering firm, to include its name Independent Chartered Accountant to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 19, 2024.

However, the term “expert” and the consent thereof shall not be construed to mean an “expert” or consent within the meaning under the U.S. Securities Act, as amended (the “**U.S. Securities Act**”).

Monitoring Agency

Our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC, if required. For details in relation to the proposed utilisation of the Net Proceeds, see the section titled “*Objects of the issue*” on page 95 of this Draft Red Herring Prospectus.

Appraising Entity

Our Company has not appointed any appraising agency for appraisal of the Project.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for this Issue.

Debenture trustees

As the Issue is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and in regional newspaper where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

All Bidders, other than Anchor Investors, were mandatorily required to participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders were required to participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹500,000 were required to use the UPI Mechanism and provide their UPI ID in the Bid cum Application Form submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. UPI Bidders were required to participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors were not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders could revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors was on a discretionary basis. For an illustration of the Book Building Process and further details, see “*Terms of the Issue*” and “*Issue Procedure*” on page 280 and 291, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors were advised to make their own judgement about investment

through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining (i) final approval of the RoC after Red Herring Prospectus is filed with the RoC; and (ii) final listing and trading approval from the Stock Exchange, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see “*Issue Procedure*” on page 291 of this Draft Red Herring Prospectus.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Issue*” and “*Issue Procedure*” on page 280 and 291, respectively.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within 2 (Two) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within 1 (One) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriter has indicated its intention to underwrite the following number of specified securities being Issued through this Issue:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone, and Email of the Underwriter	Indicated number of Equity Shares to be Underwritten*	Amount Underwritten (in ₹ Lakhs)
[●]	[●]	[●]
Total	[●]	[●]

**Includes [●] Equity Shares of the Market Maker reservation portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of SEBI ICDR Regulations*

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the abovementioned Underwriter are sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

Details of Market Making Arrangement

Our Company and the Book Running Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●]

Address: [●]

Telephone: [●]

Email ID: [●]

Website: [●]

Contact Person: [●]

The Market Maker shall the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the NSE, BSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the proposed Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every blackout period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of NSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE Limited and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange to decide controllable and non-controllable reasons would be final.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving three months-notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time.

10. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in

case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12. Price Band and Spreads: SEBI Circular bearing reference no: *CIR/MRD/DP/02/2012* dated *January 20, 2012*, has laid down that for Issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

Pursuant to SEBI Circular number *CIR/MRD/DSA/31/2012* dated *November 27, 2012*, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crores	25%	24%
₹ 20 Crores to ₹ 50 Crores	20%	19%
₹ 50 Crores to ₹ 80 Crores	15%	14%
Above ₹ 80 Crores	12%	11%

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

Filing

This Draft Red Herring Prospectus is being filed with the National Stock Exchange of India Limited

This Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on the draft Issue document in terms of Regulation 246(2) of the SEBI (ICDR) Regulations. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations and SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the RoC Office situated at Registrar of Companies, ROC Bhavan, Opposite Rupal Park Society Behind Ankur Bus Stop Naranpura, Ahmedabad 380 013, Gujarat, India.

CAPITAL STRUCTURE

The equity share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price*
A.	AUTHORIZED SHARE CAPITAL		
	4,00,00,000 Equity Shares of face value of ₹10 each	40,00,00,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	1,74,43,316 Equity Shares of face value of ₹10 each	17,44,33,160	-
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS[^]		
	Issue of 65,70,000 Equity Shares of ₹10/- each for cash at a price of ₹[●] per Equity Share (including a Share premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs	[●]	[●]
	<i>Of which:</i>		
	<i>Reservation for Market Maker</i> [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- per Equity Share (including a Share Premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs	[●]	[●]
	<i>Net Issue to Public</i> [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share (including a Share Premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs	[●]	[●]
	<i>Net Public Issue consists of</i>		
	<i>Allocation of Qualified Institutional Buyers</i> Not more than [●] Equity Shares of ₹ 10/- each for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] lakhs	[●]	[●]
	<i>Allocation to Non-Institutional Portion</i> Not less than [●] Equity Shares of ₹10/- each for a cash price of ₹[●]/- per Equity Share (including a premium of ₹[●] per Equity Share) aggregating [●] lakhs	[●]	[●]
	<i>Allocation to Retail Individual Investors</i> Not less than [●] Equity Shares of ₹10/- each for a cash price of ₹[●]/- per Equity Share (including a premium of ₹[●] per Equity Share) aggregating [●] Lakhs	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE^{**}		
	[●] Equity Shares of face value ₹10 each	[●]	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the issue		589.08
	After the issue		[●]

*Details to be included upon finalization of Issue Price

[^]The Present Issue has been authorised pursuant to a resolution of our Board of Directors dated August 09, 2024, and by special resolution passed under 62(1)(c) of the Companies Act, 2013 at an of the members held on August 23, 2024

^{**}Subject to the finalization of Basis of Allotment

Notes to Capital Structure

Change in Authorized Share Capital of the Company

(₹ in lakhs)

Sr. No.	Particulars	Cumulative no. of Equity Shares	Cumulative Authorized Share Equity Capital	Face Value of Equity Shares	Date of Meeting	Whether AGM/ EGM
1.	On Incorporation	10,000	1.00	10	-	-
2.	Increase in authorised share capital from ₹1.00 lakhs to ₹100.00 lakhs	10,00,000	100.00	10	July 9, 2009	EGM
3.	Increase in authorised share capital from ₹100.00 lakhs to ₹150.00 lakhs	15,00,000	150.00	10	January 10, 2011	EGM
4.	Increase in authorised share capital from ₹150.00 lakhs to ₹200.00 lakhs	20,00,000	200.00	10	July 25, 2013	EGM
5.	Increase in authorised share capital from ₹200.00 lakhs to ₹220.00 lakhs	22,00,000	220.00	10	June 9, 2014	EGM
6.	Increase in authorised share capital from ₹220.00 lakhs to ₹223.00 lakhs	22,30,000	223.00	10	March 18, 2015	EGM
7.	Increase in authorised share capital from ₹223.00 lakhs to ₹298.00 lakhs	29,80,000	298.00	10	March 15, 2023	Pursuant to an NCLT order
8.	Increase in authorised share capital from ₹298.00 lakhs to ₹477.00 lakhs	47,70,000	477.00	10	October 28, 2023	EGM
9.	Increase in authorised share capital from ₹477.00 lakhs to ₹4,000.00 lakhs	4,00,00,000	4000.00	10	February 13, 2024	EGM

Equity Share capital

The history of the Equity Share Capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 23, 1997	20	10	10	Cash	Subscription to MOA ⁽¹⁾	20	200
December 27, 2002	9,980	10	10	Cash	Further Allotment ⁽²⁾	10,000	1,00,000
November 24, 2008	4,000	10	10	Cash	Further Allotment ⁽³⁾	14,000	1,40,000
February 14, 2011	14,86,000	10	10	Cash	Further	15,00,000	1,50,00,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					Allotment ⁽⁴⁾		
August 19, 2013	3,28,275	10	265	Cash	Further Allotment ⁽⁵⁾	18,28,275	1,82,82,750
May 10, 2014	48,900	10	265	Cash	Rights Issue ⁽⁶⁾	18,77,175	1,87,71,750
June 10, 2014	2,84,232	10	265	Cash	Rights Issue ⁽⁷⁾	21,61,407	2,16,14,070
April 22, 2015	67,094	10	265	Cash	Rights Issue ⁽⁸⁾	22,28,501	2,22,85,010
October 30, 2023	17,88,909	10	10	Other than Cash	Allotment pursuant to Scheme of Arrangement ⁽⁹⁾	40,17,410	4,01,74,100
October 30, 2023	7,39,858	10	10	Other than Cash	Allotment pursuant to Scheme of Arrangement ⁽¹⁰⁾	47,57,268	4,75,72,680
June 28, 2024	1,26,86,048	10	Nil	Other than Cash	Bonus Issue ⁽¹¹⁾	1,74,43,316	17,44,33,160

⁽¹⁾ Initial Subscribers to the Memorandum of Association of our Company

Sr. No.	Name	No. of Equity Shares
1.	Sureshkumar Suchak	10
2.	Kanhaiyalal Suchak	10
Total		20

⁽²⁾ Further Allotment of 9,980 Equity Shares of face value of ₹10 each:

Sr. No.	Name	No. of Equity Shares
1.	Sureshkumar Suchak	1,990
2.	Kanhaiyalal Suchak	1,990
3.	Jivrajbhai Suchak	2,000
4.	Sudha Suchak	2,000
5.	Nita Suchak	2,000
Total		9,980

⁽³⁾ Further Allotment of 4,000 Equity Shares of face value of ₹10 each:

Sr. No.	Name	No. of Equity Shares
1.	Jaysukhlal Gadhia	2,000
2.	Manish Gadhia	2,000
Total		4,000

⁽⁴⁾ Further Allotment of 14,86,000 Equity Shares of face value of ₹10 each:

Sr. No.	Name	No. of Equity Shares
1.	Sureshkumar Jivrajbhai	4,50,000
2.	Kanhaiyalal Suchak	4,40,000
3.	Jaysukhlal Gadhia	2,98,000
4.	Manish Gadhia	2,98,000
Total		14,86,000

⁽⁵⁾ Further Allotment of 3,28,275 Equity Shares of face value of ₹10 each:

Sr. No.	Name	No. of Equity Shares
1.	Munshi Holding Co.	2,41,609
2.	Anew Holdings In	86,666
Total		3,28,275

⁽⁶⁾ Rights Issue of 48,900 Equity Shares of face value of ₹10 each

Sr. No.	Name	No. of Equity Shares
1.	Munshi Holding Co.	48,899
2.	Mansur Mehta	1
Total		48,900

⁽⁷⁾ Rights Issue of 2,84,232 Equity Shares of face value of ₹10 each

Sr. No.	Name	No. of Equity Shares
1.	Munshi Holding Co.	2,84,232
Total		2,84,232

⁽⁸⁾ Rights Issue of 67,094 Equity Shares of face value of ₹10/- each

Sr. No.	Name	No. of Equity Shares
1.	Munshi Holding Co.	67,094
Total		67,094

⁽⁹⁾ Allotment pursuant to the Scheme of Amalgamation of 17,88,909 Equity Shares of face value ₹10 each

Sr. No.	Name	No. of Equity Shares
1.	Mansur Mehta	17,87,925
2.	Shabnam Mehta	447
3.	Mubeen Mehta	358
4.	Hamidabanu Mehta	179
Total		17,88,909

⁽¹⁰⁾ Allotment pursuant to the Scheme of Amalgamation of 7,39,858 Equity Shares of face value ₹10 each

Sr. No.	Name	No. of Equity Shares
1.	Mansur Mehta	2
2.	Click Hotels Private Limited	7,39,856
Total		7,39,858

⁽¹¹⁾ Bonus Issue of 1,26,86,048 Equity Shares of face value ₹10 each

Sr. No.	Name	No. of Equity Shares
1.	Mansur Mehta	4967803
2.	Click Hotels Private Limited	5372949
3.	Mubeen Mehta	201432
4.	Munshi Holding Co.	1942666
5.	Hajra Mehta	3
6.	Rahima Mehta	3
7.	Shabnam Mehta	201192
Total		1,26,86,048

Preference Share Capital

As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

Convertible Instruments

Our Company does not have any outstanding convertible instruments as (on the date of this Draft Red Herring Prospectus)

Class of Shares

Our Company has one class of share capital i.e. Equity Shares of face value of ₹10 each. All Equity Shares issued are fully paid-up.

Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves

Except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves at any time since incorporation.

Date of Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
October 30, 2023	25,28,767	10	10	Allotment pursuant to Scheme of Arrangement	Nil

Date of Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
June 28, 2024	1,26,86,048	10	Nil	Bonus Issue in the ratio of 8:3	Nil

For further details pertaining to Issue of Equity Shares for consideration other than cash, see “*Summary of the Offer Document*” on page 87 of this Draft Red Herring Prospectus.

Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not issued or allotted any Equity Shares in terms of any scheme approved under Sections 391 to 394 of Companies Act 1956 or Sections 230 to 234 of the Companies Act, 2013 except as mentioned below:

Date of allotment of the Equity Shares	Name of the Allottee	Total Number of equity shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment [^]
October 30, 2023	Mansur Mehta	17,87,925	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement
October 30, 2023	Shabnam Mehta	447	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement
October 30, 2023	Mubeen Mehta	358	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement
October 30, 2023	Hamidabanu Mehta	179	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement
October 30, 2023	Mansur Mehta	2	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement
October 30, 2023	Click Hotels Private Limited	7,39,856	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement

[^]For Further details of the scheme see “History and Certain Corporate Matters” on page 182 of this Draft Red Herring Prospectus

Issue or transfer of Equity Shares under employee stock option schemes

The Company does not have any employee stock option scheme under which any Equity Shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

Issue of shares at a price lower than the Issue Price in the last year

Except as disclosed below, we have not issued any Equity Shares at a price below Issue price within the last one year from the date of this Draft Red Herring Prospectus.

Date of Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
October 30, 2023	25,28,767	10	10	Allotment pursuant to scheme of amalgamation	Nil
June 28, 2024	1,26,86,048	10	Nil	Bonus Issue in the ratio of 8:3	Capitalization of Reserves and Surplus

Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Category of shareholder	Nos. of shareholders	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+C)	Number of Voting Rights held in each class of securities ¹				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 ³		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form ⁴
								No of Voting 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 Equity Shares of ₹ 10/- each ²	Class Y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	6	1,47,72,150	-	-	1,47,72,150	84.69%	1,47,72,150	-	1,47,72,150	84.69%	-	84.69%	-	-	1,47,72,150		
(B)	Public	1	26,71,166	-	-	26,71,166	15.31%	26,71,166	-	26,71,166	15.31%	-	15.31%	-	-	-		
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	7	1,74,43,316	-	-	1,74,43,316	100.00%	1,74,43,316	-	1,74,43,316	100.00%	-	100.00%	-	-	1,47,72,150		

Note:

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

²We have only one class of Equity Shares of face value of ₹ 10/- each.

³All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on Emerge Platform of National Stock Exchange of India Limited.

⁴In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, the Equity Shares held by the Promoters are dematerialized.

⁵Our Company has provided dematerialisation of share facility to all the shareholders of the Company. 19,42,666 Bonus allotted shares transferred to Suspense Escrow demat account.

As on the date of the filing of this Draft Red Herring Prospectus, our Company has 7 Shareholders.

Set forth below are the details of the build-up of our Promoters' shareholding in our Company since incorporation:

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Acquisition or Issue Price per Equity Share (₹)	Nature of consider ation	Nature of allotment/ transfer	Cumulati ve number of Equity Shares	% of Pre- Issue capital (₹)	% of Post- Issue capital (₹)
Mansur Mehta								
November 27, 2012	2,000	10	10	Cash	Transfer from Sureshkumar Jivrajbhai Suchak	2,000	0.01	●
November 27, 2012	1,000	10	10	Cash	Transfer from Sureshkumar Jivrajbhai Suchak	3,000	0.02	●
November 27, 2012	43,000	10	10	Cash	Transfer from Sureshkumar Jivrajbhai Suchak	46,000	0.26	●
November 27, 2012	2,000	10	10	Cash	Transfer from Jaysukhlal Girdharlal Gadhia	48,000	0.28	●
November 27, 2012	2,000	10	10	Cash	Transfer from Manish Jaysukhlal Gadhia	50,000	0.29	●
November 27, 2012	25,000	10	10	Cash	Transfer from Jaysukhlal Girdharlal Gadhia	75,000	0.43	●
May 10, 2014	1	10	265	Cash	Rights Issue	75,001	0.43	●
October 27, 2023	(1)	10	Nil	Other than Cash	Transfer to Hajra Mehta by way of Gift	75,000	Negligible	●
October 27, 2023	(1)	10	Nil	Other Than Cash	Transfer to Rahima Mehta by way of Gift	74,999	Negligible	●
October 30, 2023	17,87,925	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement	18,62,924	10.68	●
October 30, 2023	2	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement	18,62,926	Negligible	●
June 28, 2024	49,67,803	10	Nil	Other than cash	Bonus Issue	6837729	28.48	●
Mubeen Mehta								
November 27, 2012	48,000	10	10	Cash	Transfer from Jaysukhlal Girdharlal Gadhia	48,000	0.28	●
November 27, 2012	25,000	10	10	Cash	Transfer from Manish Jaysukhlal Gadhia	73,000	0.42	●
November 27, 2012	10	10	10	Cash	Transfer from Sureshkumar Jivrajbhai Suchak	73,010	0.42	●
November 27, 2012	1,990	10	10	Cash	Transfer from Kanhaiyalal Jivrajbhai Suchak	75,000	0.43	●
October 30, 2023	358	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement	75,358	0.43	●
November 06, 2023	179	10	Nil	Other than Cash	Transfer from Hamibanu Abubaker Mehta by way of gift	75,537	0.43	●
June 28, 2024	2,01,432	10	Nil	Other than cash	Bonus Issue	2,76,969	1.15	●
Click Hotels Private Limited								
August 03, 2021*	12,75,000	10	10	Cash	Allotment pursuant to Scheme of	12,75,000	7.31	●

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Acquisition or Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre- Issue capital (₹)	% of Post- Issue capital (₹)
October 30, 2023	7,39,856	10	10	Other than cash	Arrangement* Allotment pursuant to Scheme of Arrangement #	20,14,856	11.55	●
June 28, 2024	53,72,949	10	Nil	Other than cash	Bonus Issue	73,87,805	30.80	●

*The Equity Shares held by Suba Palace Private Limited (erstwhile promoter of our Company) was transferred to Click Hotels Private Limited vide the Composite Scheme of Amalgamation and Demerger, which was approved by the NCLT, Mumbai vide their order dated June 04, 2021.

#The Equity Shares held by Suba Palace Private Limited (erstwhile promoter of our Company) was transferred to Click Hotels Private Limited vide the Composite Scheme of Amalgamation and Demerger, which was approved by the NCLT, Ahmedabad vide their order dated March 15, 2023.

The figures in the row have been rounded-off to the closest two decimal.

Set forth below are the details of the build-up of our Promoter Group's shareholding in our Company since incorporation:

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Acquisition or Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre- Issue capital (₹)	% of Post- Issue capital (₹)
Shabnam Mehta								
November 27, 2012	10,000	10	10	Cash	Transfer from Jaysukhlal Girdharlal Gadhia	10,000	0.06	●
November 27, 2012	10	10	10	Cash	Transfer from Kanhaiyalal Jivrajbhai Suchak	10,010	0.06	●
November 27, 2012	63,000	10	10	Cash	Transfer from Manish Jaysukhlal Gadhia	73,010	0.42	●
November 27, 2012	1,990	10	10	Cash	Transfer from Sureshkumar Jivrajbhai Suchak	75,000	0.43	●
October 30, 2023	447	10	10	Other than cash	Allotment pursuant to Scheme of Arrangement	75,447	0.43	●
June 28, 2024	2,01,192	10	Nil	Other than cash	Bonus Issue	2,76,639	1.15	●
Hajra Mehta								
October 27, 2023	1	10	Nil	Other than cash	Transfer from Mansur Mehta by way of gift	1	Negligible	●
June 28, 2024	3	10	Nil	Other than cash	Bonus Issue	4	Negligible	●
Rahima Mansur Mehta								
October 27, 2023	1	10	Nil	Other than cash	Gift deed, transfer from	1	Negligible	●

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Acquisition or Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)	% of Post-Issue capital (₹)
					Mansur Mehta			
June 28, 2024	3	10	Nil	Other than cash	Bonus Issue	4	Negligible	100

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on the date of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) *
1.	Click Hotels Private Limited	73,87,805	42.35
2.	Mansur Mehta	68,30,729	39.16
3.	Munshi Holding Co	26,71,167	15.31
4.	Shabnam Mehta	2,76,639	1.59
5.	Mubeen Mehta	2,76,969	1.59
Total		1,74,43,308	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) *
1.	Click Hotels Private Limited	73,87,805	42.35
2.	Mansur Mehta	68,30,729	39.16
3.	Munshi Holding Co	26,71,167	15.31
4.	Shabnam Mehta	2,76,639	1.59
5.	Mubeen Mehta	2,76,969	1.59
Total		1,74,43,308	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) *
1.	Click Hotels Private Limited	12,75,000	57.20
2.	Munshi Holding Co.	7,28,500	32.69
3.	Mansur Mehta	75,001	3.37
4.	Shabnam Mehta	75,000	3.37
5.	Mubeen Mehta	75,000	3.37
Total		22,28,501	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) [*]
1.	Hotel Suba Palace Private Limited [#]	12,75,000	57.20
2.	Munshi Holding Co.	7,28,500	32.69
3.	Mansur Mehta	75,001	3.37
4.	Shabnam Mehta	75,000	3.37
5.	Mubeen Mehta	75,000	3.37
Total		22,28,501	100.00

^{*}Rounded off to the closest decimal

[#]The Equity Shares held by Suba Palace Private Limited (erstwhile promoter of our Company) was transferred to Click Hotels Private Limited vide the Composite Scheme of Amalgamation and Demerger, which was approved by the NCLT, Mumbai vide June 04, 2021.

The aggregate shareholding of the Promoters and Promoter group

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%) [*]	Percentage of the Post-Issue Equity Share capital (%)
Promoters				
1.	Click Hotels Private Limited	73,87,805	42.35	[●]
2.	Mansur Mehta	68,30,729	39.16	[●]
3.	Mubeen Mehta	2,76,969	1.59	[●]
Promoter Group				
4.	Shabnam Mehta	2,76,639	1.59	[●]
5.	Hajra Mehta	4	Negligible	[●]
6.	Rahima Mehta	4	Negligible	[●]
Total		1,47,72,150	84.69	[●]

^{*}Rounded off to the closest decimal

The number of specified securities purchased or sold by the Promoter Group and/ or by the Directors of our Company and their relatives in the preceding six months.

Neither the Promoter Group members nor any of the Directors of our Company and their relatives have purchased or sold any specified securities, in the preceding six months of the filing of this Draft Red Herring Prospectus.

Details of other lock-in

Mansur Mehta, Mubeen Mehta and Click Hotels Private Limited are the Promoters of the Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013. Accordingly, in terms of Regulation 238 of the SEBI ICDR Regulations, the said Promoters has complied with the requirement of minimum promoter's contribution in this Issue and in terms of Regulation 238(a) the following Equity Shares are locked in for a period of 3 years pursuant to the Issue.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-issue paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The shareholding of the Promoters in excess of 20% of the fully diluted Post-Issue Equity Share capital shall be locked in for a period of 12 months from the date of Allotment.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 237 of the SEBI ICDR Regulations.

In this connection, please note that:

- a) Our Company has not made any public Issue (including rights issue to public) since its incorporation.
- b) The Equity Shares issued for Promoter's contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.
- c) The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the issue.
- d) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.
- e) As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.
- f) All the Equity Shares held by our Promoters are in dematerialised form.

The Equity Shares held by any person and locked-in for a period of one (1) year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until expiry of the lock-in period) and compliance with the Takeover Regulations.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis or by way of issue of bonus shares, or on a rights basis or by way of further public issue of Equity Shares or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with until the Equity Shares have been listed on the Stock Exchange or all application moneys have been refunded to the Investors or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.

Our Company, our Directors and the BRLM have no existing buy-back arrangements or any other similar arrangement for the purchase of Equity Shares being issued through the Issue.

All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and its associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. BRLM and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary

compensation.

There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

No person connected with the issue, including, but not limited to, the BRLM, the Banker to the issue, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicant for making an Application.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Our Company shall ensure that any transaction in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of the transaction.

Employee stock option schemes

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares (as on the date of this Draft Red Herring Prospectus).

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

- 1) Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises; and
- 2) General Corporate Purposes,
(collectively, the “Objects”).

In addition to the above Objects, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchange, which include, *inter alia* enhancement of our Company’s visibility and brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to (i) to undertake our existing business activities and other activities set out therein; and (ii) the activities proposed to be funded from the Net Proceeds

Net Proceeds

The details of the proceeds from the Issue are summarised in the following table:

(₹ in lakhs)

Particulars	Estimated Amount ⁽¹⁾
Gross proceeds of the Issue	[●]
(less) Issue Expenses ⁽²⁾	[●]
Net Proceeds of the Issue	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

⁽²⁾ For details, please see “Issue related expenses” on page 106 of this Draft Red Herring Prospectus

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(₹ in Lakhs)

Particulars	Amount
Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises	6,004.87
General Corporate Purposes ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(₹ in Lakhs)

Particulars	Total estimated cost	Total amount spent on the objects September 18, 2024 ⁽¹⁾	Total estimated amount from Net Proceeds	Year wise break-up of the expenditure	
				Fiscal 2025	Fiscal 2026
Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises ⁽¹⁾⁽³⁾⁽⁴⁾	6,004.87	-	6,004.87	2,202.71	3,802.16
General Corporate Purposes ⁽²⁾	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

⁽¹⁾ As certified by M/s. Shah & Taparia, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 19, 2024

⁽²⁾ To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

⁽³⁾Total estimated cost as per Structural Engineer certificates dated September 11, 2024 issued by M/s. FRAMES., (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), Independent Structural Engineer.

⁽⁴⁾Total estimated cost as per Independent Architect certificates dated September 12, 2024, issued by M/s. O & A Architects., (Proprietorship firm of Obaid Aziz Hakim) Independent Architect.

(₹ In Lakhs)

Sr No.	Particulars	Total estimated cost	Year wise break-up of the expenditure		Status/expected commencement date	Expected completion date
			2025	2026		
1.	Funding for Civil and Interior work for hotel premises situated at Pithampur	995.58	597.35	398.23	January, 2025	March, 2026
2.	Renovation, Refurbishment and Modernization of hotel premises at Vadodara, Ahmedabad, Junagarh, Bhuj & Nasik	3,500.52	700.10	2,800.42	February, 2025	March, 2026
3.	Last-mile funding for the hotel premises which are on Revenue share & Lease basis in Bangalore	1,508.77	905.26	603.51	January, 2025	March, 2026
	Total Estimated Cost	6,004.87	2,202.71	3,802.16		

⁽¹⁾As certified by Shah & Taparia, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 19, 2024

⁽²⁾Total estimated cost as per Structural Engineer certificates dated September 11, 2024 issued by M/s. FRAMES, (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), Independent Structural Engineer

⁽³⁾ Total estimated cost as per Independent Architect certificates dated September 12, 2024, issued by M/s. O & A Architects, (Proprietorship firm of Obaid Aziz Hakim), Independent Architect.

The fund requirements, deployment of funds, and intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, valid vendor quotations, market conditions, and other external commercial and technical factors. However, these fund requirements and deployment plans have not been appraised by any bank, financial institution, or independent agency. For further details, see “Risk Factors - Risk Factor 9- “Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and may be subject to change based on various factors, some of which may be beyond our control.” on page 40. We may need to revise our funding requirements and deployment due to various factors such as our financial and market conditions, business and growth strategies, ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition, access to capital, and other external factors such as changes in the business environment, regulatory climate, and interest or exchange rate fluctuations. These factors, which may not be within our management’s control, might necessitate rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation, subject to compliance with applicable laws.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year towards the aforementioned Objects.

Moreover, if the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the aggregate of the gross proceeds of the Issue, in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls.

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for the capital expenditure towards purchase of machinery. Further, for risk arising out of the Objects, see “Risk Factor-Risk Factor 11- “We have not yet placed orders in relation to the funding capital expenditure requirements towards upgradation and last-mile funding of hotel premises which is proposed to be financed from the net Issue proceeds of the IPO. In the event of any delay in placing the orders, or in the event the vendors are not able to execute the contract in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected. Our proposed expansion plans are subject to the risk of unanticipated delays in implementation due to factors including delays in construction and cost

overruns.” on page 33 of this Draft Red Herring Prospectus. This includes part financing the cost of establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals.

Basis of estimation:

According to the JLL report, 65% of our properties are located in previously untapped destinations, showcasing our brand’s significant expansion. By operating across diverse regions, we can access multiple markets, reducing reliance on any single one. This broader presence enhances brand visibility and attracts a wider customer base.

Growth Strategies:

- With revenue from owned hotels growing at a CAGR of 30.06% from FY22-FY24, and revenue from the revenue share and lease model surging by 87.16% in the same period, a major portion of our revenue from these models. As a result, the capital expenditure for the eight properties will focus on those operating under these two models, with ₹6,004.87 Lakhs allocated for upgrades and last-mile funding.
- By investing in the renovation of stranded hotel assets, we can create significant value for both hotel owners and our company. Our approach focuses on identifying properties with strategic potential, providing flexible financing solutions, and ensuring a mutually beneficial partnership.
- We have achieved the lowest gestation period, quicker turnaround from bare shell to completion and groundbreaking to opening of hotels in lowest possible period which is shown in the hotels built by us. We have built 40 rooms at the Bhuj hotel in 8 months, 48 rooms at the Junagadh hotel in 12 months, 50 rooms at the Vadodara hotel in 6 months and 65 rooms at the Pithampur hotel in 14 months.
- Our hotels are strategically located in close proximity to business districts, industrial centers, airports, railway terminus and other demand drivers. Further, different regions have different seasonal patterns, ultimately helping us to balance revenue fluctuations throughout the year. Also, a broader presence increases our brand awareness and visibility, thereby attracting more customers.
- As on July 31, 2024, we are present in upscale, upper-midscale and midscale brands. These hotel segments vary based on business models that includes owned, managed, revenue share & lease and franchised hotels, as demonstrated below:

Particulars	Ow ned	Managed	Revenue share & lease	Franchised	Total
No. of Hotels (Operational)	5	13	14	47	79
No. of Hotels (Executed Agreements)	0	8	10	17	35
No. of Keys (Operational)	227	551	529	2,437	3,744
No. of Keys (Executed Agreements)	0	324	417	920	1,661

(₹ in Lakhs)

Particulars	For the year ended on					
	March 31, 2024	As a % of total operational revenue	March 31, 2023	As a % of total operational revenue	March 31, 2022	As a % of total operational revenue
<u>Room Income:</u>						
<i>Ow ned</i>	1,402.49	26.83%	1,269.97	36.25%	859.48	42.60%
<i>Revenue share and lease</i>	2,245.42	42.95%	1,180.42	33.69%	678.26	33.62%
<i>Franchise</i>	676.55	12.94%	355.84	10.16%	-	-
<i>Managed</i>	177.80	3.40%	49.92	1.43%	5.58	0.28%
Food & Restaurant	645.76	12.35%	597.98	17.07%	419.48	20.79%
Other Operating Income	79.63	1.52%	49.15	1.40%	54.90	2.72%

Particulars	For the year ended on					
	March 31, 2024	As a % of total operational revenue	March 31, 2023	As a % of total operational revenue	March 31, 2022	As a % of total operational revenue
Total	5,227.65	100.00%	3,503.30	100.00%	2,017.70	100.00%

Details of the Objects of the Issue:

1) Funding Capital Expenditure Requirements towards upgradation and last-mile funding of hotel premises.

We require funding for capital expenditures requirements towards upgradation and last-mile funding. This investment is crucial for upgrading our facilities to enhance guest experiences, improve operational efficiency, and maintain a competitive edge.

For the total estimated cost towards our objects, we have obtained certifications from both an Independent Structural Engineer and an Independent Architect. Specifically, the certification for the estimated cost of civil works has been provided by M/s FRAMES, (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), an Independent Structural Engineer, dated September 11, 2024. Similarly, the estimated costs for furniture, fixtures, machinery, equipment, appliances, hardware, and other related services and Implementation plan have been certified by M/s O & A Architects (Proprietorship firm of Obaid Aziz Hakim), an Independent Architect, on September 12, 2024, for the hotel premises listed below.

All the below mentioned quotations are valid for six months from the date of Quotations.

a) Funding for Civil and Interior work for hotel premises situated at Pithampur

The Company has entered into a Lease Agreement dated July 01, 2019, with M.P Industrial Development Corporation Limited ("MPIDC") for the lease of the land admeasuring 2,500 square mtr. to carrying on the hotel business. The Company and MPIDC have agreed that the lease shall be for a period of 30 years.

Our hotel, located at Industrial Growth Center, Pithampur Sector-05, District Dhar, Madhya Pradesh, has been operating under the brand name "Click Hotel" since October 08, 2023. As the only chain-affiliated hotel in Pithampur, the premises are currently functional with two operational floors, with an additional two floors fully constructed. The upper two floors comprise 38 rooms, including a spa and a banquet hall, bringing the total number of rooms at the hotel premises to 76. In light of the rising demand for our services, we propose to undertake internal civil and interior work. The primary objective of this endeavour is to enhance our market presence, diversify our offerings, and create additional revenue streams, while simultaneously delivering the services to our valued guests. The hotel, which primarily caters to industrial clients, is experiencing an increase in corporate demand.

Estimated Cost

The total estimated cost for the expansion of the hotel premise is ₹995.58 Lakhs, below is the bifurcation of expenses to be incurred for this hotel premises:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Civil Work like breaking of wall, fixing brick work, waterproof, plaster work, fixing flore tile, etc.	152.21	Hanstaj Interiors	July 15, 2024
	POP Work	27.60	Mohd Arif Khan	July 15, 2024
	Painting areas wall & ceiling, corridor & stairs wall	22.98	Vimal Art	July 15, 2024
	Fixing Paver Block with material Sq. ft	46.00	Bhupesh Prajapat	Aug 27, 2024
	All type of flooring	28.80	Galaxy Marble	Aug 20, 2024
	Bath Fittings WC, UC, Basin Mixer, bath mixer, Jet spray, cuppling, flush valve, etc	10.85	Galaxy Marble	July 15, 2024
	Carpet, Wallpaper & Wooden Flooring & Tiles	6.00	Adorn Décor	July 15, 2024
2	Furniture & Fixtures			

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
	Bedroom 2 seater sofa, study table and chairs	15.00	Mewada Sons	July 15, 2024
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc	9.73	Kromex Hardware	July 17, 2024
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	14.29	Jignesh N Dodia	July 15, 2024
	Pocket Spring Mattresses for bedrooms	3.86	Varahamurti Flexirub Industries P Ltd	July 12, 2024
	Signages like inside signages acrylic with SS studs, outside non lite signage & outside main lite signage	8.00	Arish Advertisement Solutions	July 15, 2024
	Multipurpose Aurveda Massage Table, stand with brass vessel, Wooden stand, trolley, stool etc. with freight charges	17.87	Esthetica Spa & Salon Resources private limited	Aug 17, 2024
	Set of work stations, chairs, bed, lockers etc. with transportation charges	42.03	Excellent Modular Furniture	Aug 17, 2024
	Chairs, Chair Stack, Tables, Podiums, Stages & Stainless Steel glass tables for banquet hall	27.48	Eston Amenities Private Limited	July 15, 2024
	Furniture items like double bed, cupboard, bed side table, TV unit, chair, bathroom door etc	149.26	Zikra Furniture	July 17, 2024
3	Machinery Equipments, Appliances & Hardwares			
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	71.00	HTL Aircon Pvt Ltd	July 15, 2024
	Water utility equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	20.60	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	64.75	Cool Air Systems	July 15, 2024
	Room Accessories like Electronic Guest Room Safe, Tea kettle, Eston All in One Tray, minibar solid door	8.06	Eston Amenities Pvt Ltd	July 15, 2024
	Kitchen Equipments like bulk vessels, utensils etc.	13.26	A One Equipments	July 15, 2024
	Television Sets Samsung HG- 43BU800	9.75	Shreem Infotech	July 16, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	118.75	Colston Bath & Spa Private limited	Aug 14, 2024
	Generator 500KVA DG set	33.60	Kalpaka Power Control	Aug 14, 2024
	Inverter Equipments like IGBT UPS with Inbuilt isolation transformers with Exide DRY SMF Batteries	23.15	Red Phase India Private Limited	Aug 31, 2024
	Industrial Washing Machine, Dryer machine Hydro Extractor with freight charges	10.71	Paramount Engineers	Aug 30, 2024
4	Consultancy Charges			
	Professional Charges towards Architectural Design & Supervision for your Hospitality Project	40.00	O & A Architects	Aug 30, 2024
	Total Estimated Cost	995.58		

b) Renovation, Refurbishment and Modernization of hotel premises at Vadodara, Ahmedabad, Junagarh, Bhuj & Nasik:

We propose to undertake renovation, refurbishment and modernization of the existing hotel premises at Vadodara, Ahmedabad, Junagarh, Bhuj & Nasik. These hotel premises, having been established over 10 to 12 years ago, now require upgrading to support our continued growth. The objective of this issue is to raise funds for the renovation, refurbishment and modernization of the hotel premises. This includes upgrading facilities, redesigning room interiors, modernizing infrastructure, and improving guest experiences. The renovation aims to align the premises with current standards and attract a broader range of clientele. Additionally, a portion of the proceeds will be used for functional improvements to common areas, such as the spa, banquet hall, and other guest facilities, ensuring the property meets industry requirements. Our Company proposes to utilise a total of ₹ 3,500.52 Lakhs towards hotel premises at Vadodara, Ahmedabad, Junagarh, Bhuj & Nasik for renovation, refurbishment and modernization of rooms and other amenities.

The cost of renovation and modernization of our hotel premises are indicated below:

a) Hotel Suba Elite, Vadodara:

Hotel Suba Elite situated at City Survey No. 41, Vibhag D of Tika No.1/10 Vadodara City, Sayajiganj Vibhag, Modikhana in Fatehgunj Area, Vadodara, Kasba with the admeasuring 2,382.94 sq. meters built up area which includes 50 rooms including spa, banquet hall, and other guest facilities. Our Company has started operations of this premise on December 08, 2014. Our Company proposes to utilise a total of ₹ 1,003.65 Lakhs towards renovation, refurbishment and modernization. The hotel's location is advantageous due to its located in the Fatehgunj Socialite area, approximately 5 km from Vadodara Airport and 1.9 km from Vadodara Railway Station, enhancing accessibility and driving increased demand. Furthermore, its proximity to NH 8 ensures convenient connectivity to the GIDC industrial area in Nandesari.

Below is the bifurcation of expenses to be incurred for this hotel premises:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Civil Work like breaking of wall , fixing brick work, water proof, plaster work, fixing flore tile etc.	36.00	Hanstaj Interiors	July 15, 2024
	POP Work	45.00	Mohd Arif Khan	July 15, 2024
	Painting areas wall & ceiling, corridor & stairs wall	33.75	Vimal Art	July 15, 2024
	Carpet, Wallpaper & Wooden Flooring & Tiles	60.00	Adorn Décor	July 15, 2024
	MEP work like Supply, commissioning, installation of pumblng work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work .	129.00	Metro Plumbing & Fire Solutions	July 24, 2024
	All type of flooring	25.00	Galaxy Marble	Aug 20, 2024
	Bath Fittings	15.83	Galaxy Marble	July 15, 2024
2	Furniture & Fixtures			
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	56.99	Jignesh N Dodia	July 15, 2024
	Furniture items like double bed, cupboard, bed side table, TV unit, chair, bathroom door etc	234.00	Zikra Furniture	July 17, 2024
	Chairs, Chair Stack, Tables, Podiums, Stages & Stainless Steel glass tables	27.48	Eston Amenities Private Limited	July 15, 2024
	Set of work stations, chairs, bed, lockers etc. with transportation charges	34.76	Excellent Modular Furniture	Aug 16, 2024
	Multipurpose Aurveda Massage Table, stand with brass vessel, Wooden stand, trolley, stool etc. with freight charges	17.87	Esthetica Spa & Salon Resources private limited	Aug 17, 2024
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc	13.10	Kromex Hardware	July 17, 2024
3	Machinery Equipments, Appliances & Hardwares			
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	43.70	HTL Aircon Pvt Ltd	July 15, 2024
	Water utlity equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	15.50	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	40.00	Cool Air Systems	July 15, 2024
	Room Accessories like Electronic Guest Room Safe, Tea kettle, Eston All in One Tray, minibar solid door	16.27	Eston Amenities Pvt Ltd	July 15, 2024
	Kitchen Equipments like bulk vessels, utensils etc.	13.26	A One Equipments	July 15, 2024
	Television Sets Samsung HG-43BU800	14.25	Shreem Infotech	July 16, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	93.75	Colston Bath & Spa Private limited	Aug 14, 2024
	Inverter Equipments like IGBT UPS with Inbuilt isolation transformers with Exide DRY SMF Batteries	23.15	Red Phase India Private Limited	July 17, 2024
	Supply & Installation of room mirrors, glass parition for bathrooms including of hardware & accessories	15.00	New Bharat Glass House & Aluminium Section	July 18, 2024
	Total Estimated Cost	1,003.65		

b) Hotel Suba Star, Ahmedabad:

Hotel Suba Elite situated at Judges Bungalow Road, Near Akash Tower Bodakdev Ahmedabad, Gujarat 380 015 with the admeasuring 629 sq. meters land. Our Company has started operations of this hotel on December 08, 2012. Since we are operating more than a decade, we have established client base. Our Company proposes to utilise a total of ₹ 990.61 Lakhs towards owned hotel premises renovation, refurbishment and modernization of 40 rooms and F&B facilities. The hotel's location is advantageous due to its located approximately 500 mtrs away

from CG Road, 16 Kilometers away from Sardar Vallabhbhai Patel International Airport and 10 Kilometers away from Ahmedabad Railway Station ensures easy accessibility for long-term corporate clients.

Below is the bifurcation of expenses to be incurred towards civil, furniture & fixtures, Machinery Equipments, Appliances & Hardwares for this property:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Civil Work like breaking of wall, fixing brick work, water proof, plaster work, fixing flore tile, etc.	270.00	Hanstaj Interiors	July 15, 2024
	POP Work	52.50	Mohd Arif Khan	July 15, 2024
	All type of flooring	19.75	Galaxy Marble	Aug 20, 2024
	Painting areas wall & ceiling, corridor & stairs wall	31.50	Vimal Art	July 15, 2024
	Carpet, Wallpaper & Wooden Flooring & Tiles	36.56	Adorn Décor	July 15, 2024
2	Furniture & Fixtures			
	Furniture items like double bed, cupboard, bed side table, TV unit, chair, bathroom door etc	175.50	Zikra Furniture	July 17, 2024
	Chairs, Chair Stack, Tables, Podiums, Stages & Stainless Steel glass tables	27.48	Eston Amenities Private Limited	July 15, 2024
	Bed Accessories like sheets, side table etc.	12.97	Maxus Premium bed & bath linen	July 15, 2024
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	42.75	Jignesh N Dodia	July 15, 2024
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc.	11.15	Kromex Hardware	July 17, 2024
3	Machinery Equipments, Appliances & Hardwares			
	MEP work like Supply, commissioning, installation of pumbling work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work	99.25	Metro Plumbing & Fire Solutions	July 17, 2024
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	102.76	HTL Aircon Pvt Ltd	July 15, 2024
	Water utlity equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	15.50	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	45.00	Cool Air Systems	July 15, 2024
	Room Accessories like Electronic Guest Room Safe, Tea kettle, Eston All in One Tray, minibar solid door	12.15	Eston Amenities Pvt Ltd	July 15, 2024
	Television Sets Samsung HG- 43BU800	11.00	Shreem Infotech	July 16, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	24.80	Colston Bath & Spa Private limited	Aug 14, 2024
	Total Estimated Cost	990.61		

c) Click Hotel, Junagadh:

The Company has entered into a Lease Agreement dated May 15, 2014, with Rail Land Development Authority (RLDA) for the lease of the land admeasuring 1,575 square mtr. to carrying on the hotel business. Click Hotel, Junagadh owned situated at Junagadh Railway Station with the land area of 1,575 sq. meters and built up area of 2,360.50 Sq. Meters which includes 45 rooms including spa, banquet hall, and other guest facilities. The Company and RLDA have agreed that the lease shall be for a period of 45 years. We have been operating this hotel since October 08, 2016.

Our Company proposes to utilise a total of ₹ 507.75 Lakhs towards property improvement plan & refurbishment. The hotel's location is advantageous due to its located 100 meters from Junagadh Railway Station and close to several spiritual sites, making it a preferred choice for tourists, especially after inauguration of Ropeway to Maa Ambaji Temple at Girnar, it serves as a centre for Gir forest, Somnath and Dwarka.

Below is the bifurcation of expenses to be incurred towards civil, furniture & fixtures, Machinery Equipments, Appliances & Hardwares for this property:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Execution of civil work including of material, supply of raw material, mason/labour & work permission from local authorities	32.40	Hanstaj Interiors	July 15, 2024
2	Furniture & Fixtures			
	Banquet Furniture like Chairs, Chair Stack, Tables, Podiums, Stages & Stainless Steel glass tables	27.48	Eston Amenities Pvt Ltd	July 15, 2024
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	39.47	Jignesh N Dodia	July 15, 2024
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc.	11.36	Kromex Hardware	July 15, 2024
3	Machinery Equipments, Appliances & Hardwares			
	MEP work like Supply, commissioning, installation of pumbling work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work	119.25	Metro Plumbing & Fire Solutions	July 17, 2024
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	102.76	HTL Aircon Pvt Ltd	July 15, 2024
	Water utility equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	40.60	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	58.00	Cool Air Systems	July 15, 2024
	Generator 500KVA DG & 250 KVA DG set	18.31	Kalpaka Power Control	Aug 21, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	46.87	Colston Bath & Spa Private limited	Aug 16, 2024
	Supply & Installation of room mirrors, glass parition for bathrooms including of hardware & accessories	11.25	New Bharat Glass House & Aluminium Section	July 18, 2024
	Total Estimated Cost	507.75		

d) Click Hotel, Bhuj:

The Company has entered into a Lease Agreement dated May 15, 2014, with Rail Land Development Authority (RLDA) for the lease of the land admeasuring 1,080 square mtr. for carrying on the hotel business. The Company and RLDA have agreed that the lease shall be for a period of 45 years. Click Hotel, Bhuj owned by Rail Land Development Authority (RLDA) situated at Multi-Functional Complexes (MFCs), Bhuj Railway Stations, Gujarat- 370001 with the land area of 1,080 Sq. Meters and built-up area of 1,080 Sq. Meters which includes 36 rooms including spa, banquet hall, and other guest facilities. We have been operating this hotel since October 08, 2015.

Our Company proposes to utilise a total of ₹ 496.59 Lakhs towards renovation, refurbishment and modernization of premises. The hotel's location is advantageous due to its located near Bhuj Railway Station which is also 5 Kilometers away from Bhuj Airport and approximately 40 Kilometers from Rann of Kutch. This is the only airport in Kutch with daily flights and is conveniently located near Madhapur Village, a frequent destination for travelers.

Below is the bifurcation of expenses to be incurred towards civil, furniture & fixtures, Machinery Equipments, Appliances & Hardwares for this property:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Execution of civil work including of material, supply of raw material, mason/labour & work permission from local authorities	25.92	Hanstaj Interiors	July 15, 2024
	Fabrication work of ACP Sheets	19.20	Fine Fabrication	July 15, 2024
	All type of flooring	16.40	Galaxy Marble	July 17, 2024
2	Furniture & Fixtures			
	Banquet Furniture like Chairs, Chair Stack, Tables, Podiums, Stages & Stainless Steel glass tables	27.48	Eston Amenities Pvt Ltd	July 15, 2024
	Bed Accessories like sheets, side table etc.	17.40	Maxus Premium bed & bath linen	July 15, 2024

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
	Set of work stations, chairs, bed, lockers etc. with transportation charges	34.22	Excellent Modular Furniture	Aug 15, 2024
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc	7.98	Kromex Hardware	July 17, 2024
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	19.21	Jignesh N Dodia	July 15, 2024
3	Machinery Equipments, Appliances & Hardwares			
	MEP work like Supply, commissioning, installation of plumbing work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work	74.40	Metro Plumbing & Fire Solutions	July 17, 2024
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	102.76	HTL Aircon Pvt Ltd	July 15, 2024
	Water utility equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	19.60	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	35.00	Cool Air Systems	July 15, 2024
	Kitchen crockeries with packaging charges	18.91	M.M.F. Enterprises	July 06, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	78.12	Colston Bath & Spa Private limited	14-Aug-24
	Total Estimated Cost	496.59		

e) Click Hotel Nasik:

Click Hotel, Nasik is situated at 904/1/2/1, CID, Mumbai - Agra National Highway, Opposite Orchid National Highway, Chetna Nagar, Rane Nagar, Nasik, Maharashtra- 422009 which consist of consisting of Ground +3 Upper Floors, basement and a terrace which includes 42 rooms and amenities like restaurants, banquet hall and other entertainment rooms. The Company has entered into a Business Conducting Agreement dated July 01, 2020, with Suman Infrastructure Private Limited for the conduct of business operations by utilising the built up area admeasuring 1,887.55 square mts. and land admeasuring 1,672.09 square mts. we have started operation from August 08, 2020. The Company and Suman Infrastructure Private Limited have agreed that the agreement shall be for a period of 8 years and 11 Months. The stated property is operated under “Leased/ Revenue Sharing” model for further details see “*Our Business – Business Operations*” on page 155.

Our Company proposes to utilise a total of ₹ 501.93 Lakhs towards lease hold property for renovation, refurbishment and modernization of Click Hotel, Nasik. The hotel is advantageous due to located near Ambad MIDC, close to key religious and tourist attractions, and just 10 kilometers from Nashik Railway Station, offering convenience for both business and leisure travelers. This hotel is located on NH3 and serves as a key transit point for travelers heading to Shirdi.

Below is the bifurcation of expenses to be incurred towards civil, furniture & fixtures, Machinery Equipments, Appliances & Hardwares for this property:

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Execution of civil work including of material, supply of raw material, mason/labour & work permission from local authorities	31.68	Hanstaj Interiors	July 15, 2024
	Roof Work (Repair Work)	18.00	Fine Fabrication	July 15, 2024
	All type of flooring	17.40	Galaxy Marble	Aug 20, 2024
2	Furniture & Fixtures			
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	18.04	Jignesh N Dodia	July 15, 2024
	Room Accessories: Lock ADEL 1800	6.00	Novel Sysro Services	July 25, 2024
	Set of work stations, chairs, bed, lockers etc. with transportation charges	34.22	Excellent Modular Furniture	Aug 16, 2024

Sr. No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
	Bathroom Accessories like Towel Rack, Robe hook, Napkin ring, Tissue holder, soap dish & dispenser, etc	6.74	Kromex Hardware	July 17, 2024
3	Machinery Equipments, Appliances & Hardwares			
	Water utility equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	20.30	VJ Engineering solution	July 15, 2024
	Room automation with AC like Installation of Hi-Wall Unit, Top Discharge (outdoor units) & Installation	42.00	Cool Air Systems	July 15, 2024
	MEP work like Supply, commissioning, installation of plumbing work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work	82.60	Metro Plumbing & Fire Solutions	July 26, 2024
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	102.76	HTL Aircon Pvt Ltd	July 15, 2024
	Kitchen crockeries with packaging charges	12.81	M.M.F. Enterprises	July 06, 2024
	Bathroom Fittings like Steam Generator & Bubblebath Tub with Freight Charges	109.37	Colston Bath & Spa Private limited	Aug 14, 2024
	Total Estimated Cost	501.93		

c) Last-mile funding for the hotel premises which are on Revenue share & Lease basis in Bangalore:

We are seeking funding for new hotel premises that will operate on a revenue-sharing and lease basis. This funding will be required for last-mile funding of hotel premises, ensuring alignment with our financial models and partnership structures. The revenue-sharing and lease agreements allow for a flexible and sustainable approach to hotel premises management, optimizing both profitability and operational efficiency.

To meet the growing demand for our services across different regions, particularly in events and other services, we are expanding through revenue-sharing and lease models. As part of our strategic initiative, we plan to operate new hotel premises under the Clarion Hotel brand in Bangalore, comprising 64 rooms in Bangalore. The primary objective of this endeavour is to strengthen our market presence and diversify our service offerings.

Estimated Cost

The total estimated cost towards setting up new lease hold properties is ₹ 1508.77 Lakhs. The same has been estimated by the Management in accordance with our business plan and quotations received from third parties

The details of estimated costs are set out below:

a) Clarion Hotel, Bangalore:

We propose to operate a 64 room Clarion Hotel in Bangalore, located at No. 4, E Kadiganahalli, Hobli, Bharathinagar, Chikkajala, Bengaluru, Karnataka-562157, on a leasehold basis. The hotel is expected to begin operations after March 2026 and will carry the Clarion Hotel brand, catering to fulfil the growing demand for a star-rated hotel, with its proximity to the Tech Park and Kempegowda International airport which is third busiest airport of India. The vicinity already boasts a strong ARR, located just 12 Kilometers from the airport and 24 Kilometers from the railway station, it offers convenience for both business and leisure travellers.

The Company has entered into a binding term sheet dated April 09, 2024, with Mohamad Azam the lease of the Basement, Ground floor and four floor hotel premises for using the premises for activities necessary for and incidental to carrying on the hotel business. The Company and Mohamad Azam have agreed that the lease shall be for a period of 20 Years and 11 months from the date of execution of lease deed and lock in period 15 years and 11 months from handing over of the property being developed by the lessors. As per the Term Sheet, we have made the payment of ₹ 150.00 Lakhs to Mohammad Azam (owner) and the balance ₹ 100.00 Lakhs will be paid on or before start of hotel operation. The ₹ 100.00 Lakhs will be paid from the internal accruals of the Company. The stated property will be operated under “Leased/ Revenue Sharing” model, for further details see “*Our Business – Business Operations*” on page 157. As on date of DRHP, 64 Rooms, Banquet, Spa Rooms and Restaurant are developed by the owners.

Below is the bifurcation of expenses to be incurred for this hotel premises:

Sr No.	Particulars	Total estimated cost (₹ In Lakhs)	Vendor Name	Quotation Date
1	Civil Work			
	Civil Work like breaking of wall, fixing brick work, waterproof, plaster work, fixing flore tile, etc	350.00	Hanstaj Interiors	July 15, 2024
	POP Work	75.60	Mohd Arif Khan	July 15, 2024
	Painting areas wall & ceiling, corridor & stairs wall	43.20	Vimal Art	July 15, 2024
	Room & Bathroom flooring, Granite, Bathroom Wall tile, Bathroom HI	180.86	Galaxy Marble	July 15, 2024
	Bath Fittings	18.57	Galaxy Marble	July 17, 2024
2	Furniture & Fixtures			
	Furniture items like double bed, cupboard, bed side table, TV unit, chair, bathroom door etc	280.80	Zikra Furniture	July 17, 2024
	Pocket Spring Mattresses for bedrooms	7.32	Varahamurti Flexirub Industries P Ltd	July 12, 2024
	Room & Bathroom window like aluminium openable window & bathroom window, powder coating, lock handle, hinges, labour, transportation & installation	68.39	Jignesh N Dodia	July 15, 2024
	Bedroom 2 seater sofas and chairs	15.00	Mewada Sons	July 15, 2024
3	Machinery Equipments, Appliances & Hardwares			
	MEP work like Supply, commissioning, installation of pumbling work, Fire Hydrant Service, Sprinkler Work, Smoke Detector & Scaffolding work	163.80	Metro Plumbing & Fire Solutions	July 23, 2024
	HVAC work like VRF outdoor & indoor unit with installation, Ducting & Air distribution products & Ventilation fans	110.00	HTL Aircon Pvt Ltd	July 15, 2024
	Gym Equipments like Commercial motorised treadmill (Cosco- C55), Commercial Spinning Bike, Ruberised Dumbell (10 kg, 15 kg, 20 kg, 25 kg), Ez curl olympic (4ft-8.5kg)	8.45	Total Sports & Fitness	July 15, 2024
	Water utilty equipment like Hydropneumatic system (2x matrix 10-4), Water Softner, Heat pumps, hot water return line pump & RO (100LPH)	17.10	VJ Engineering solution	July 15, 2024
	Room Accessories like Electronic Guest Room Safe, Tea kettle, Eston All in One Tray, minibar solid door	15.26	Eston Amenities Pvt Ltd	July 15, 2024
	Kitchen Equipments like bulk vessels, utensils etc.	13.26	A One Equipments	July 15, 2024
4	Electrical Work			
	Electrical Works of rooms, bathrooms & passage area like fittings, lift electric workand main line works	141.17	Priyansh Electric Co. In	July 15, 2024
	Total Estimated Cost	1,508.77		

Government Approvals

Our company holds all the necessary licenses required for the current operation of our owned hotels, for Click Hotel, Pithampur; Hotel Suba Elite, Vadodara; Hotel Suba Star, Ahmedabad; Click Hotel, Junagadh; and Click Hotel, Bhuj. No additional licenses are required for these properties at this stage. For further details, please refer to the section titled “*Government and Other Approvals*” on page 260.

Click Hotel, Nasik operates under a revenue share-lease model, with the owner holding all the necessary licenses. Similarly, Clarion Hotel, Bangalore is operated under a revenue share-lease model. In these cases, while we serve as the “operator,” the responsibility for obtaining licenses and approvals such as the FSSAI License, Shop and Establishment License, Lift License, Fire NOC, and others etc. with the owner. These approvals must be secured from the relevant authorities before the commencement of operations by the owner.

Means of finance

The above Object is proposed to be funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on the certificate issued by M/s. O & A., Independent Architect dated September 12, 2024, our current business plan, managements estimates, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management.

2) General corporate purposes

Our Company proposes to deploy the balance proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

Issue related expenses

The break-up for the estimated issue related expenses are as set forth below:

Activity expense	Amount (₹ in lakhs)	Percentage of total estimated issue expenses ⁽¹⁾	Percentage of issue size ⁽¹⁾
Issue relating expenses such as fees to Book Running Lead manager Fixed Fee, Registrar to the Issue, Legal Advisors, Auditors, statutory advertisements and other expenses incurred / to be incurred including promotional expenses	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission (including Commission/processing fees for SCSBs, Sponsor Bank, Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾)	[●]	[●]	[●]
Listing fees, Stock Exchange processing/ listing fees, software fees, Depositories' fees, other regulatory expenses and sundry expenses.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Notes:

1. The fund deployed towards issue expenses is ₹ 50.00 lakhs pursuant to certificate issued by our Statutory and Peer Review Auditors M/s. Shah & Taparia, Chartered Accountants dated September 19, 2024, and the same will be recouped out of issue expenses.
2. Includes Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non – Institutional Applicants, would be [●] % on the allotment amount on the application wherein shares are allotted.
3. Includes commission/Processing fees of ₹ [●] per valid application forms for SCSBs. In case the total processing fees payable to SCSBs exceeds ₹ [●] lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed ₹ [●] lakhs.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

If the Issue size is less than ₹ 10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. However, if applicable at any stage after the filing of the offer document, we will ensure compliance in accordance with the relevant regulations. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our finances. However, the deployment of the funds shall be subject to compliance of applicable laws and Audit Committee of the Company shall hence monitor the utilization of the issue proceeds.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, our Key Management Personnel or our Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Management Personnels or our Group Company.

Further, pursuant to the issue, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoter, Promoter Group, Group Companies of our Company, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

BASIS FOR ISSUE PRICE

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, and on the basis of assessment of market demand for the Equity Shares Issued through the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management Discussion and Analysis of Financial Position and Results of Operations*” on pages 33, 155, 210 and 244, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are

- One of India’s leading domestic hotel chains in the mid-scale sector with a differentiated business model
- Wide geographical coverage
- Established distribution network
- Ability to acquire non / underperforming hotels and demonstrated track record to re-rate hotel’s performance through renovation and / or rebranding
- Experienced promoters and management team

For further details, see “*Risk Factors*” and “*Our Business*” on pages 33 and 155, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Consolidated Financial Statements. For details, see “*Financial Statements*” on page 210. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

1. Basic and Diluted Earnings per Share (EPS), as adjusted for changes in capital.

Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2024	5.61	5.61	3
Fiscal 2023	1.87	1.87	2
Fiscal 2022	0.96	0.96	1
Weighted Average	3.59	3.59	

Notes:

- a) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.
- b) Basic and diluted EPS are based on the Restated Consolidated Financial Information.
- c) The face value of each Equity Share is ₹10.
- d) Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year.
- e) Basic EPS and diluted EPS calculations are in accordance with Accounting Standard 20 ‘Earnings per Share’.
- f) The above statement should be read with significant accounting policies and the notes to the Restated Consolidated Financial Information.

2. Price / Earning (P/E) Ratio in relation to Price band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E at the lower end of the price band (no. of times) *	P/E at the higher end of the price band (no. of times) *
a) P/E ratio based on Basic EPS as at March 31, 2024	[●]	[●]
b) P/E ratio based on Diluted EPS as at March 31, 2024	[●]	[●]

* To be updated at Prospectus stage.

Industry Price / Earning (P/E) Ratio

Based on the peer company information (excluding our Company) given below in this section:

Particulars	P/E ratio
Industry	
Highest	71.49
Lowest	20.24
Average	46.10

Notes: P/E ratio has been computed based on the closing market price of equity shares on BSE as on August 30, 2024, divided by the diluted EPS for the year ended March 31, 2024.

3. Return on Net Worth (RONW):

Year ended	RoNW (%)	Weight
Fiscal 2024	27.71%	3
Fiscal 2023	11.86%	2
Fiscal 2022	6.90%	1
Weighted Average	18.96%	

Notes:

- RoNW = Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus)
- The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

4. Net Asset Value (NAV) per Equity Share

Financial Year	Net Asset Value per equity shares
Net Asset Value per Equity Share as of March 31, 2024	20.25
After Completion of the Issue	
- At the Floor Price	[●]
- At the Cap Price	[●]
Issue Price	[●]

Notes:

- Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted average number of equity shares outstanding at the end of the year. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Consolidated Financial Information.

5. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

Name Of the Company	For the year ended 2024						
	Face value (₹)	Revenue from operations	Basic EPS	Diluted EPS	P/E (based on Diluted EPS)	Return on net worth (%)	NAV per Equity Share (₹)
		(₹ in lakhs) ⁽¹⁾	(₹)	(₹)			
Suba Hotels Limited	10	5,227.65	5.61	5.61	[●]	27.71%	20.25
Peer Group							
Royal Orchids Hotels Limited	10	29,361.05	18.53	18.53	20.24	26.65%	69.55
Sayaji Hotels Limited	10	11,176.32	8.18	8.18	46.57	9.04%	90.49
Lemon Tree Hotels Limited	10	1,07,112.29	1.88	1.88	71.49	18.79%	12.20

Source: All the financial information for listed industry peers mentioned above is on Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the BSE website for the year ended March 31, 2024.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on the BSE website on August 30, 2024, divided by the Diluted EPS.
- Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus).
- NAV is computed as the closing net worth divided by the outstanding weighted average number of equity shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 33, 155, 244 and 71, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

6. Key financial and operational performance indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹ lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
Return on Capital Employed (RoCE) (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Debt to Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 30, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by M/s. Shah and Taparia, by their certificate dated September 19, 2024.

Financial KPI of our Company

Sr. No.	Metric	As of and for the Fiscal		
		2024	2023	2022
1	Revenue From operations (₹ in Lakhs)	5,227.65	3,503.30	2,017.70
2	Total Income (₹ in Lakhs)	5,299.61	3,519.86	2,024.34
3	EBITDA (₹ in Lakhs)	1,387.18	874.69	408.27
4	EBITDA Margin (%)	26.18%	24.85%	20.17%
5	Profit After Tax (₹ in Lakhs)	895.87	278.32	142.76
6	PAT Margin (%)	16.90%	7.91%	7.05%
7	Return on Equity (ROE) (%)	27.71%	11.86%	6.90%
8	Return on Capital Employed (ROCE) (%)	26.80%	22.37%	5.28%
9	Debt to Equity Ratio	1.41	1.96	2.03
10	Current Ratio	0.55	0.39	0.39

Notes:

- As certified by M/s. Shah and Taparia, Chartered Accountants pursuant to their certificate dated September 19, 2024 The Audit committee in its resolution dated August 30, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Statements.
- EBITDA refers to earnings before interest expense, taxes, depreciation, amortization.

- d) *EBITDA Margin* refers to EBITDA during a given period as a percentage of total revenue during that period.
- e) *PAT Margin* quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by total revenue.
- f) *Return on equity (RoE)* is equal to profit for the year divided by the total equity and is expressed as a percentage.
- g) *RoCE (Return on Capital Employed) (%)* is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus long term Debt.
- h) *Debt to Equity ratio* is calculated by dividing the total debt by total equity.
- i) *Current Ratio* is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

See “*Management Discussion and Analysis of Financial Position and Results of Operations*” on page 244 for the reconciliation and the manner of calculation of our key financial performance indicators.

For further information in relation to historical use of such KPIs by our Company to monitor the operational and/or financial performance of our Company, “*Our Business*” on pages 155.

Comparison of financial KPIs and Operational KPIs of our Company and our listed peer.

Metric	Suba Hotels Limited			Royal Orchids Hotels Limited		
	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022
Revenue From operations (₹ in Lakhs)	5,227.65	3,503.30	2,017.70	29,361.05	26,354.88	13,852.39
Total revenue (₹ in lakhs)	5,299.61	3,519.86	2,024.34	31,269.92	27,968.76	15,593.13
EBITDA (₹ in lakhs)	1,387.18	874.69	408.27	9,861.95	10,031.04	6,541.23
EBITDA Margin (%)	26.18%	24.85%	20.17%	31.54%	35.87%	41.95%
Profit after tax (₹ in lakhs)	895.87	278.32	142.76	5,082.35	4,922.31	2,678.46
PAT Margin (%)	16.90%	7.91%	7.05%	16.25%	17.60%	17.18%
Return on Equity (ROE) (%)	27.71%	11.86%	6.90%	26.65%	28.46%	21.39%
Return on Capital Employed (ROCE) (%)	26.80%	22.37%	5.28%	21.53%	25.05%	16.98%
Debt to Equity Ratio	1.41	1.96	2.03	0.35	0.44	0.64
Current Ratio	0.55	0.39	0.39	1.14	1.45	1.06

Metric	Sayaji Hotels Limited			Lemon Tree Hotels Limited		
	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022	As of and for the Fiscal 2024	As of and for the Fiscal 2023	As of and for the Fiscal 2022
Revenue From operations (₹ in Lakhs)	11,176.32	11,498.21	16,314.92	1,07,112.29	87,498.95	40,224.01
Total revenue (₹ in lakhs)	11,662.40	11,813.89	17,199.92	1,08,361.44	88,374.01	42,322.92
EBITDA (₹ in lakhs)	3,803.99	7,404.72	8,991.51	53,643.38	45,718.63	14,069.22
EBITDA Margin (%)	32.62%	62.68%	52.28%	49.50%	51.73%	33.24%
Profit after tax (₹ in lakhs)	1,433.66	3,509.49	3,305.28	18,170.66	14,054.00	(13,736.17)
PAT Margin (%)	12.29%	29.71%	19.22%	16.77%	15.90%	-32.46%
Return on Equity (ROE) (%)	9.04%	14.10%	15.38%	18.79%	16.46%	-16.52%
Return on Capital Employed (ROCE) (%)	12.84%	19.32%	19.62%	11.55%	10.72%	1.07%
Debt to Equity Ratio	0.00	0.09	0.23	1.95	2.04	2.04
Current Ratio	1.94	1.37	1.49	0.57	0.37	0.52

Notes:

- a) *Revenue from Operations* means the Revenue from Operations as appearing in the Restated Consolidated Financial Statements.

- b) EBITDA refers to earnings before interest expense, taxes, depreciation, amortization.
- c) EBITDA Margin refers to operating EBITDA during a given period as a percentage of total revenue during that period.
- d) PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by total revenue.
- e) Return on equity (RoE) is equal to profit for the year divided by the total equity and is expressed as a percentage.
- f) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus long term Debt.
- g) Debt to Equity ratio is calculated by dividing the total debt by total equity.
- h) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

7. Weighted average cost of acquisition (“WACA”), floor price and cap price

(a) The price per share of our Company based on the primary / new issue of shares (equity / convertible securities)

Except as stated below, there has been no primary/ new issue of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment	No. of Equity Shares Allotted [#]	Face value per equity share (₹)	Issue Price per equity share (₹) [*]	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
October 30, 2023	92,72,146	10	2.73	Allotment pursuant to the Scheme of Amalgamation	Other than Cash	252.88
Weighted average cost of acquisition (WACA)						2.73

^{*}Adjusted for bonus shares allotted in the ratio of 8 equity shares for every 3 equity shares pursuant to allotment dated June 28, 2024.

[#]The Equity Shares held by Suba Palace Private Limited (erstwhile promoter of our Company) was transferred to Click Hotels Private Limited vide the Composite Scheme of Amalgamation and Demerger, which was approved by the NCLT, Ahmedabad vide their order dated March 15, 2023.

(b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this RHP, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

Past Transactions	Weighted average cost of acquisition	Floor Price	Cap Price
	(₹)	₹[●]	₹[●]
WACA of Equity Shares that were issued by our Company	2.73	N.A.	N.A.
WACA of Equity Shares that were acquired or sold by way of secondary transactions	N.A.	N.A.	N.A.

As certified by M/s. Shah and Taparia, Chartered Accountants pursuant to their certificate dated September 19, 2024

8. Justification for Basis for Issue Price.

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators for the Fiscals 2024, 2023 and 2022.

[●]*

**To be included upon finalization of Price Band*

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*

**To be included upon finalization of Price Band*

9. The Issue Price is [●] times of the Face Value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 33, 155, 244 and 71, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors,
Suba Hotels Limited
Hotel Suba Star, Judges Bungalow Road,
Near Akash Tower,
Bodakdev, Ahmedabad - 380015 (the “Company”)

Dear Sirs/Madams,

Sub: Statement of possible special tax benefit (the “Statement”) available to Suba Hotels Limited (the “Company”), and its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the “SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) of the Company.

We, Shah & Taparia, Chartered Accountants, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initiated by us for identification purpose (“**Statement**”) for the Issue, provides the possible special tax benefits available to the Company, and to its shareholders under direct tax and indirect tax laws presently in force in India, [including the Income-tax Act, 1961, Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto)]. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders and/or its Material Subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

We do not express any opinion or provide any assurance as to whether:

1. the Company or its shareholders will continue to obtain these benefits in the future; or
2. the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
3. the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company.

We have conducted our review in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“**ICAI**”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We have carried out our work on the basis of Restated Financial Statements and other documents, public domain and information made available to us by the Company, which has formed substantial basis for this Statement.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We hereby consent to our name and the aforementioned details being included in the Issue Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Issue and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations to the BRLM and the Company until the equity shares allotted in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal advisor appointed with respect to Issue can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Issue Documents.

Yours faithfully,
For and on behalf of
M/s Shah & Taparia
Chartered Accountants

Jay Kumar Gupta
Partner
Membership No.: 121487
ICAI Firm Registration Number: 109463W
UDIN: 24121487BKFFBT8935
Date: September 19, 2024

Encl: As above

ANNEXURE A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

I. Special Direct tax benefits available to the Company

Lower corporate tax rate under Section 115BAA of the Act and MAT credit under Section 115JAA of the Act.

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (the "Amendment Act, 2019") w.e.f. FY 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives.

The option under Section 115BAA of the Act once exercised cannot be subsequently withdrawn for the same or any future financial year.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

The Company has opted to pay concessional tax rate under Section 115BAA of the Act for AY 2024-25 and hence it is not eligible to claim MAT credit. In case the Company opts for Concessional tax rate under Section 115BAA of the Act, it shall not be eligible to claim and carry forward the MAT credit available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

II. Special Indirect tax benefits available to the Company

There are no special Indirect tax benefits under indirect tax to the company.

III. Special Direct tax benefits available to the material subsidiary

There are no special tax benefits under Direct tax to material subsidiary.

IV. Special Indirect tax benefits available to the material subsidiary

There are no special tax benefits under Indirect tax to material subsidiary.

V. Special tax benefits available to Shareholders

There are no special Direct or Indirect tax benefits available to Shareholders of the company

Notes:

- i. The above Statement of Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the tax laws mentioned above.
- ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.

- iii. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- iv. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

SECTION V – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

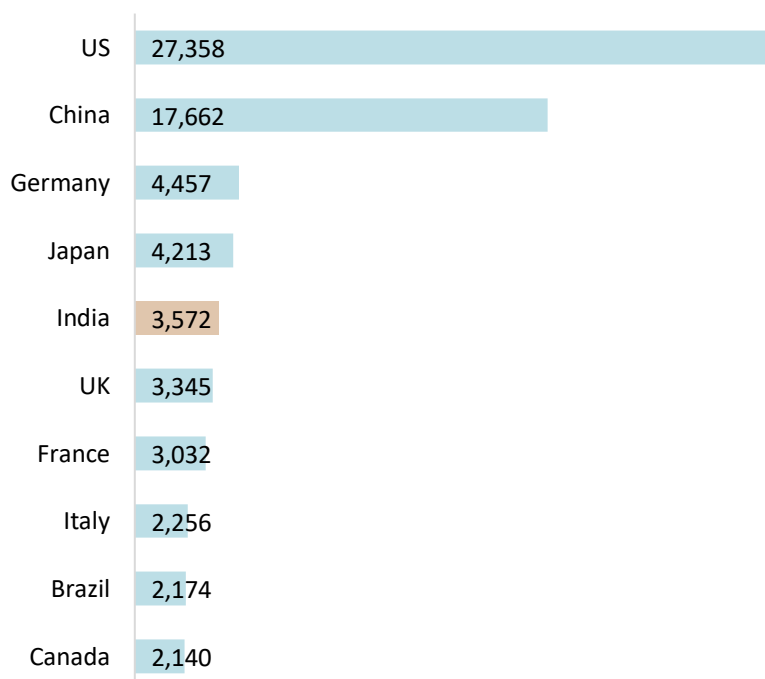
Unless otherwise indicated, the information in this section is obtained from the report dated July, 2024, titled "India Hospitality Industry Overview" prepared and issued by Jones Lang LaSalle ("JLL Report"). The Report has been exclusively paid for by us for the purposes of this Issue and is available on the website of the Company at www.subahotels.com. All information in the JLL Report has been included in this section, and none of this information has been further modified by us in any manner, except for the limited purpose of presentation or ensuring continuity. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, kindly refer to "Risk Factors-Risk Factor-39-Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Jones Lang LaSalle, exclusively commissioned and paid for by us for such purpose" on page 56 of this Draft Red Herring Prospectus.

1. Overview of the Indian Economy

Introduction

India stands as the most populous country in the world with an estimated population of 1.44 billion people¹. Over its extensive history spanning thousands of years, India has undergone significant transformation to emerge as a highly dynamic and diverse economic force. India's economy exhibits remarkable growth, positioning it among the fastest-growing economies worldwide. This success can be attributed to a range of factors, including its diverse population, robust domestic consumption, strategic geographical location, skilled workforce, and thriving entrepreneurial ecosystem. Currently, India is the world's fifth-largest economy in terms of nominal gross domestic product (GDP). Looking to the future, it is projected that within the next four years, India will surpass both Germany and Japan to become the world's third largest economy. This underscores the significant growth potential and undeniable momentum of India's economy.

Figure 1.1: GDP 2023, current prices (USD bn)



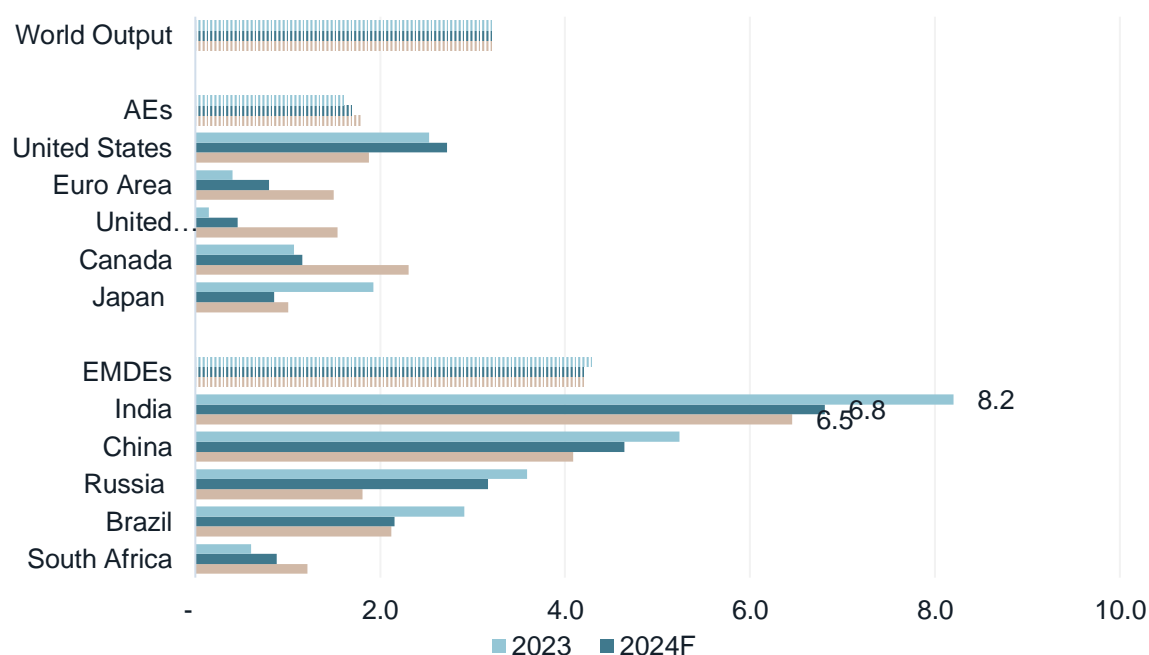
¹ UN World Population Prospects 2022

Source: IMF World Economic Outlook Database, April 2024; RBI

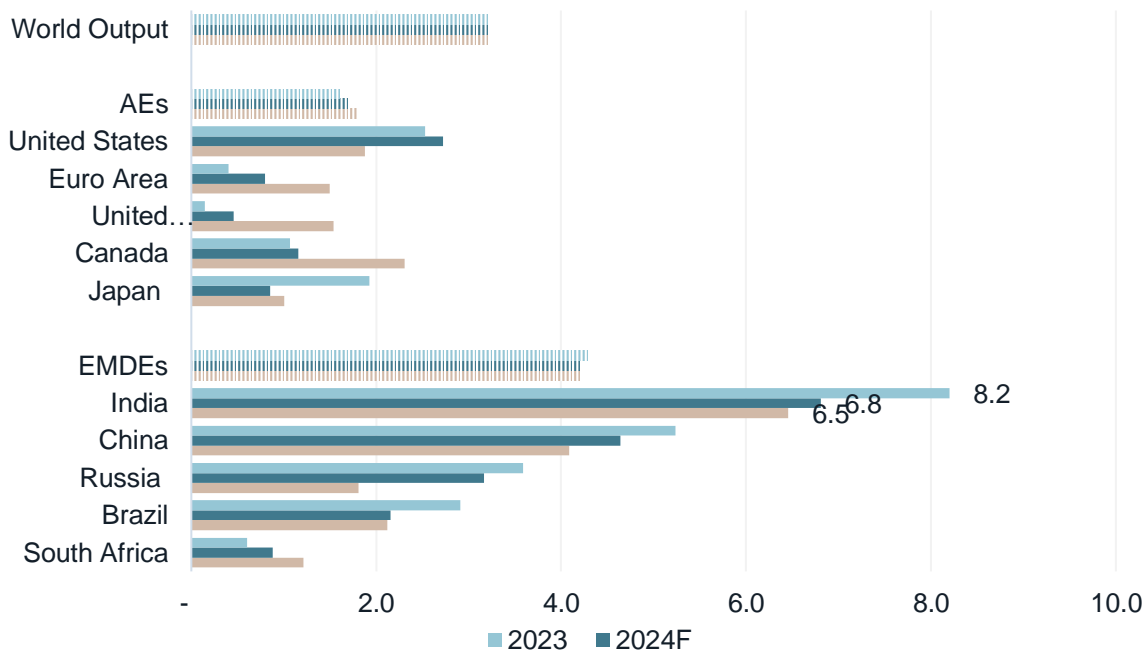
The global economy has demonstrated remarkable resilience despite multiple shocks and is now beginning to embrace a sense of cautious optimism, even in the face of ongoing geopolitical risks. In the past, the global economic landscape has been disrupted by several events. These shocks, although severe, were spaced out over time, allowing economies to gradually recover and bolster their defences in preparation for the next challenge. However, this changed at the beginning of the third decade of this millennium, as three distinct shocks hit the global economy within a mere span of three years. Barely had the COVID-19 pandemic receded when the Russia-Ukraine conflict flared up, triggering a worldwide inflation spike. The central banks of advanced countries responded with synchronized policy rate hikes to curb inflation. Yet, the global economy managed to avoid a recession. Growth has remained steady, with headline inflation converging towards target levels faster than anticipated. Although there are positive developments, challenges persist and risks to the global economic outlook are evenly balanced.

Looking ahead, global growth is projected to continue at the same pace in 2024 and 2025. Nevertheless, the projected growth rates for these years are still below the pre-pandemic (2017-19) annual average of 3.4%². This reflects the impact of restrictive monetary policies and the withdrawal of fiscal support. Advanced economies are expected to see a slight increase in growth, driven primarily by a recovery in the euro area from low growth in 2023. In contrast, emerging market and developing economies are expected to experience stable growth, with some regional differences. Among the major emerging market economies, India is expected to experience strong GDP growth at 6.8% in 2024 and 6.5% in 2025, defying global trends. This robustness can be attributed to the strength in domestic demand and the increasing working-age population.

Figure 1.2: Gross Domestic Product, constant prices; percentage change



² Source: IMF World Economic Outlook Database, April 2024



Source: IMF World Economic Outlook Database, April 2024; RBI

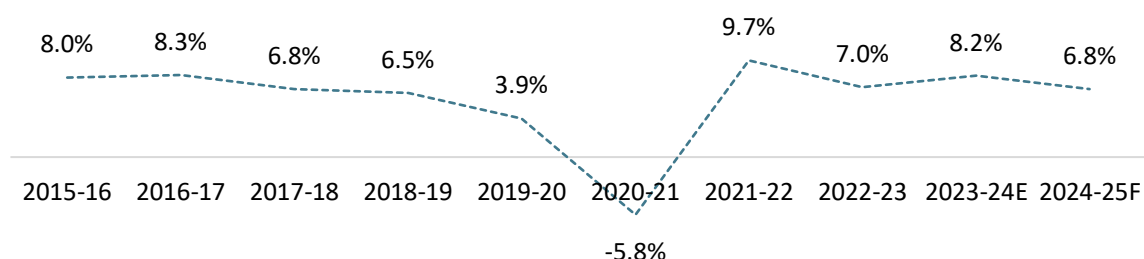
Note: For India, data and forecasts are presented on a fiscal year basis, 2023 refers to FY 2023-24 and so on AEs – Advanced Economies; EMDEs – Emerging Market and Developing Economies

Trends in Key Economic Indicators

The Indian economy was already grappling with challenges prior to the start of 2020, when the COVID-19 pandemic hit, exacerbating the situation. The pandemic and the subsequent measures taken to curb the spread of the virus presented one of the most formidable economic obstacles for India. As a result, GDP contracted by 5.8% in FY 2020-21.

However, driven by a resurgence in domestic consumption, the Indian economy made a remarkable recovery in FY 2021-22, surpassing the pre-pandemic levels of 2019-20 in terms of real GDP. In the following fiscal year, India grew by 7.0%, even without the advantage of a base effect, solidifying its position as the fastest-growing major economy globally. The Indian economy continues to experience robust momentum, with an accelerated pace of expansion in FY 2023-24. Real GDP grew by 8.2% year-on-year, propelled by the government's focus on capital expenditure and strong private consumption. This resilience in the face of global headwinds and tighter monetary policies speaks volumes about the underlying strength of the Indian economy. Looking ahead, while global growth is anticipated to remain subdued, India is expected to defy these trends and continue its impressive growth trajectory.

Figure 1.3: Real annual GDP growth



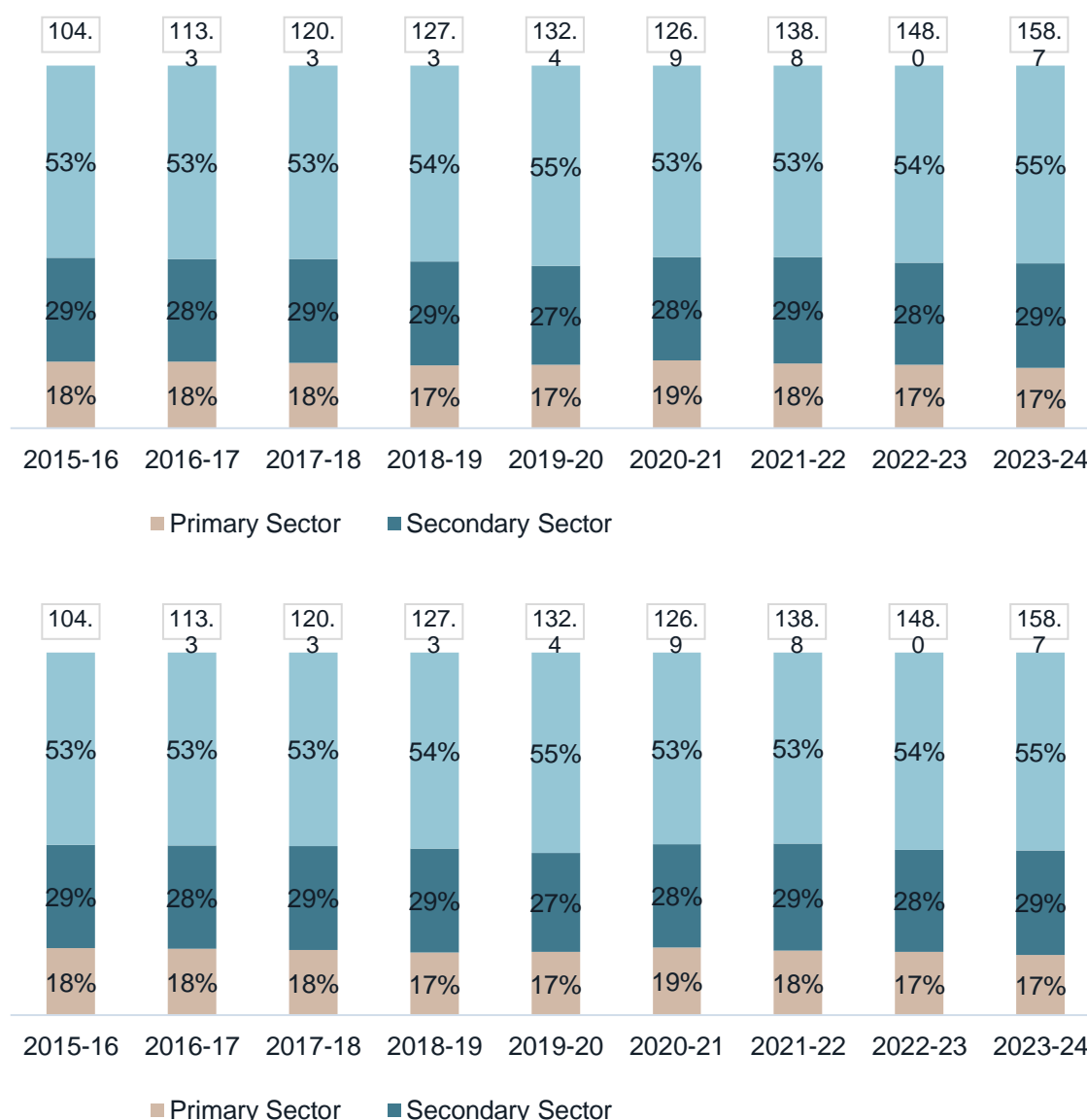
Source: IMF World Economic Outlook Database, April 2024; RBI

The services sector, also known as the tertiary sector, is a pivotal driver of India's GDP, consistently contributing over 50% to the country's Gross Value Added (GVA). It not only holds dominance in India's GDP but also attracts significant foreign investments, makes substantial contributions to exports, and generates widespread

employment.

India has risen from the 24th to the 7th position among the world's largest services exporting countries, with remarkable growth since 20013. The telecommunication, computer, and information services export, which accounted for nearly 50% of the total services exports in 2022-23, is the primary contributor to India's services export growth. Additionally, other business services contribute about one-fourth of India's services exports, displaying robust average growth of ~28% over the last two years⁴. The notable increase in exports of telecommunication, computer, and information services, as well as other business services, exemplifies India's position as the favoured choice for multinational corporations seeking to establish Global Capability Centres (GCCs). This development highlights that these GCCs have transitioned from being mere business process outsourcing units to effectively managing high-value and mission-critical operations, assuming responsibility for both business and technological aspects. Additionally, the strong recovery of tourism and other contact services has pushed the overall services sector to reflect strongly in FY 2022-23 and FY 2023-24.

1.4: Contribution of different sectors to GVA, constant prices



Source: NSO, MoSPI

India's retail inflation, as measured by the Consumer Price Index (CPI), has exhibited a decline from an average

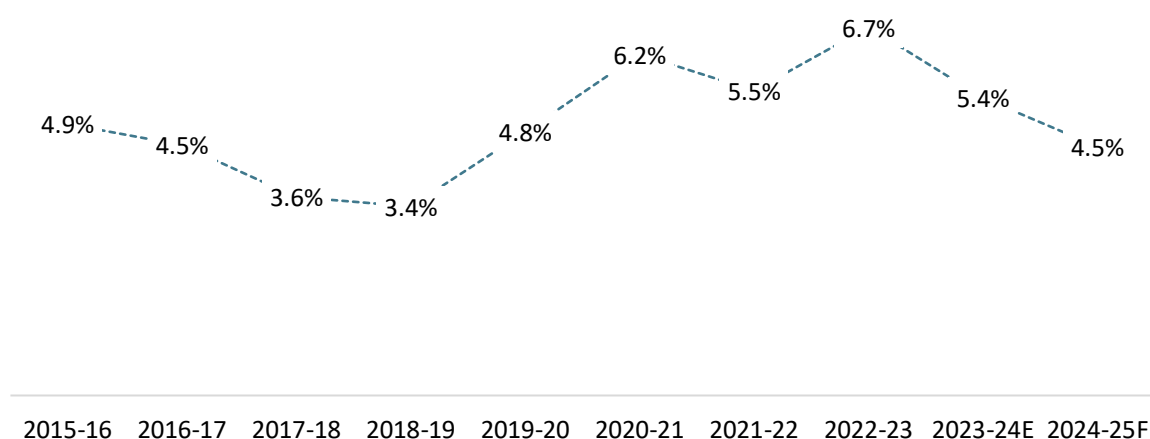
³ WTO Trade Outlook, RBI

⁴ RBI

of 5.5% in the first half of FY 2023-24 to 5.2% in the latter half. Nevertheless, the inflation trajectory has remained volatile due to sporadic food supply shocks. Notably, a significant increase in vegetable prices led to a sharp rise in headline inflation in November and December 2023. However, in February 2024, retail inflation eased to 5.09% and further decreased to 4.85% in March 2024.

Assuming a normal monsoon, CPI inflation for FY 2024-25 is projected at 4.5%. Despite the expectation of base effects becoming more favourable and bringing headline inflation closer to the RBI's 4% midpoint target in the coming months, the overall outlook remains uncertain. This is primarily due to the potential impact of crop damage caused by heatwaves earlier this year, which could keep food prices elevated for an extended period. Furthermore, the recent strengthening of oil prices may persist as the summer season drives up demand. On the other hand, the forecast of an above-normal monsoon bodes well for inflation levels. These factors have the potential to impact inflation levels and warrant close monitoring.

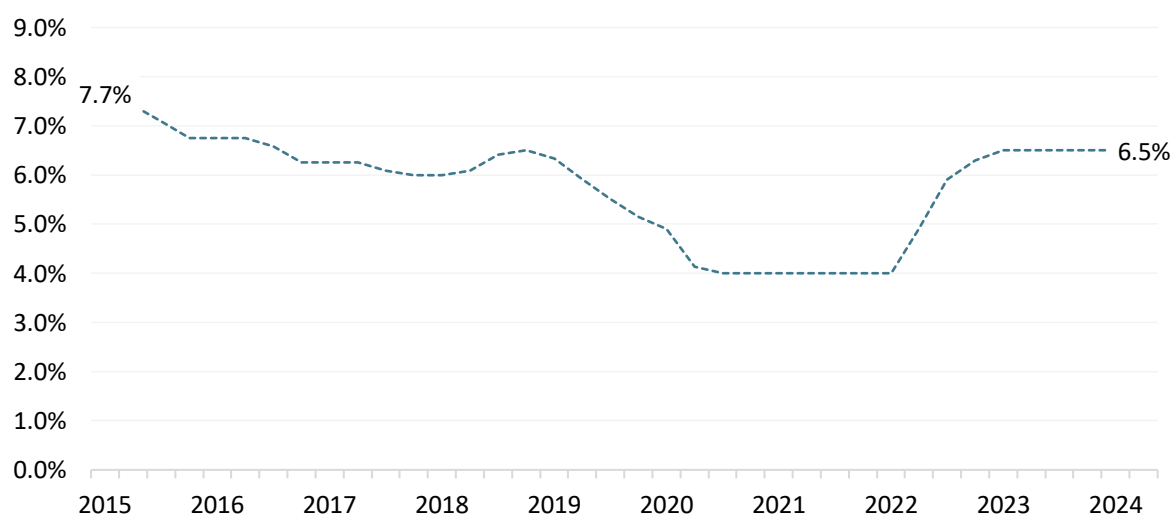
Figure 1.5: CPI inflation



Source: MoSPI, RBI

Headline inflation continues to follow a disinflationary trajectory, benefitting from both monetary policy actions and supply-side developments. Having implemented a cumulative rate hike of 250 basis points between May 2022 and February 2023, which has been gradually seeping into the economy, the Monetary Policy Committee (MPC) decided to keep the policy repo rate unchanged throughout FY 2023-24. With economic growth showing resilience, monetary policy has greater room to prioritize price stability, ensuring that inflation aligns with the target on a sustainable basis. In its current stance, monetary policy remains firmly focused on promoting price stability, effectively anchoring inflation expectations and establishing a robust foundation for sustained growth in the long run.

Figure 1.6: Repo Rate

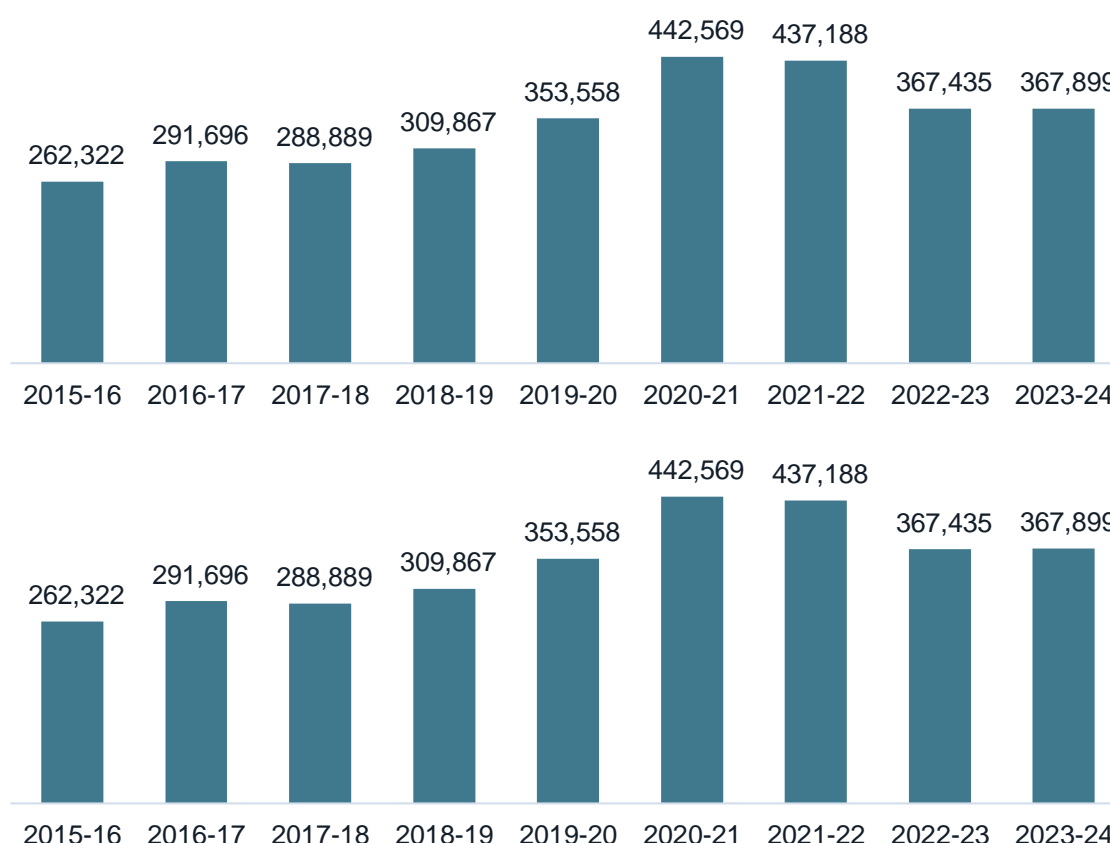


Source: RBI

India has successfully maintained its appeal as an enticing destination for long-term foreign capital investments, benefitting from a consistent inflow of Foreign Direct Investment (FDI) in recent years. In fact, equity inflows surged to a peak of INR 442,569 crores in FY 2020-21. While FDI in many other countries declined during the pandemic, India witnessed record-high foreign investments in its computer services. India was uniquely positioned to meet the increased demand for outsourcing IT and other business services from nations impacted by lockdown measures following the onset of the pandemic.

In FY 2022-23, FDI in India receded from its peak levels because of the negative shock stemming from the war in Ukraine and the ensuing deepening of geoeconomic fragmentation. In FY 2023-24, FDI equity inflows remained steady, comparable to the levels seen in the preceding fiscal year. This indicates continued confidence in India's investment environment despite extraneous geopolitical factors.

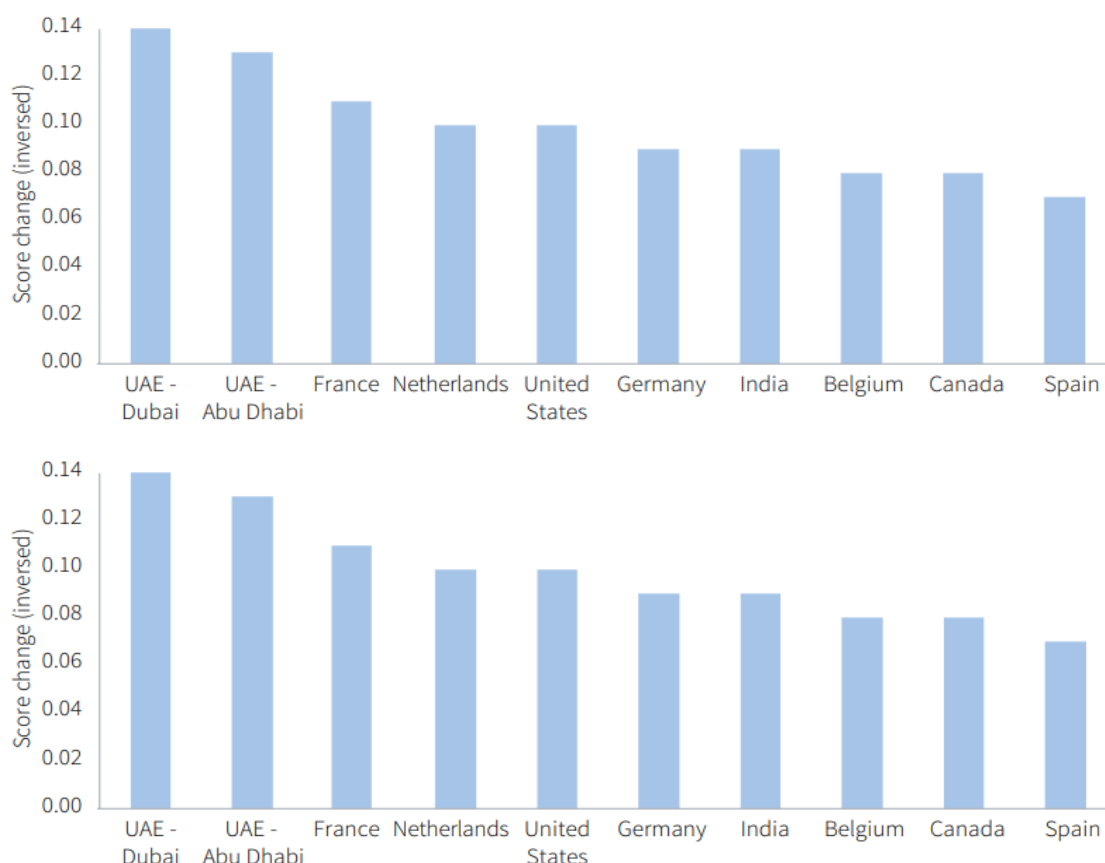
Figure 1.7: FDI equity inflows, INR crore



Source: DPIIT

To attract FDI, the Government has implemented liberal and transparent policies. Most sectors are open for 100% FDI under the automatic route. This includes the tourism and hospitality industries in India, including tourism construction projects like developing hotels, resorts etc. India stands at the cusp of becoming 'Transparent'. India is among the top ten most improved countries in JLL's Global Real Estate Transparency Index (GRETII**) 2022 and now stands at the cusp of entering the 'Transparent' category. In fact, the country was among the top global improvers across regions and was the most improved amongst all APAC countries for the second time in a row.

Figure 1.8: Top Transparency Improvers, 2020 – 2022

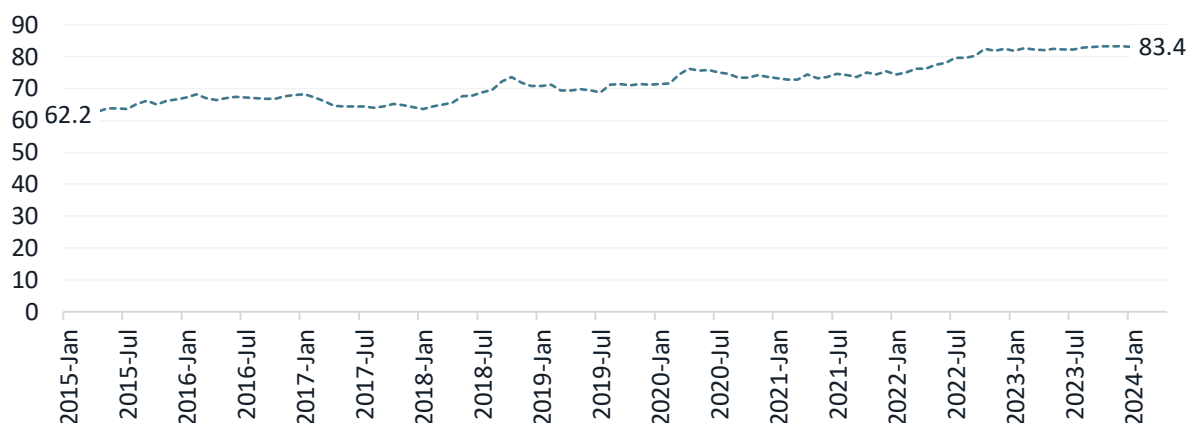


Source: JLL Global Real Estate Transparency Report, 2022

Note: The Global Real Estate Transparency Index (GRET), produced jointly by JLL and LaSalle Investment Management, has been charting the evolution of real estate transparency across the globe since 1999. Updated every two years, this 12th edition of GRET is based on a comprehensive survey of the availability and quality of performance benchmarks and market data, governance

Global uncertainty peaked from December 2019 to December 2022, driven by the pandemic and the Russia-Ukraine war. During this time, India faced strong external pressures, especially from March 2022 when advanced economies tightened their monetary policies in response to high inflation. Additionally, global oil prices soared following the war, leading to a decline in India's forex reserves and depreciation of the Rupee against the US dollar. The INR-USD exchange rate experienced significant movement, with the rupee depreciating approximately 16% within the same period. However, over the past 18 months, India has achieved improved domestic macroeconomic stability through tightened monetary policy, which has attracted capital inflows. As a result, India's forex reserves made a remarkable recovery and reached an all-time high of around USD 652 billion, as of May 2024. The depreciation of the rupee against the USD in 2023 has been limited due to a significant moderation in the current account deficit (CAD), the revival of capital flows backed by comfortable forex reserves, and, most importantly, India's macroeconomic stability.

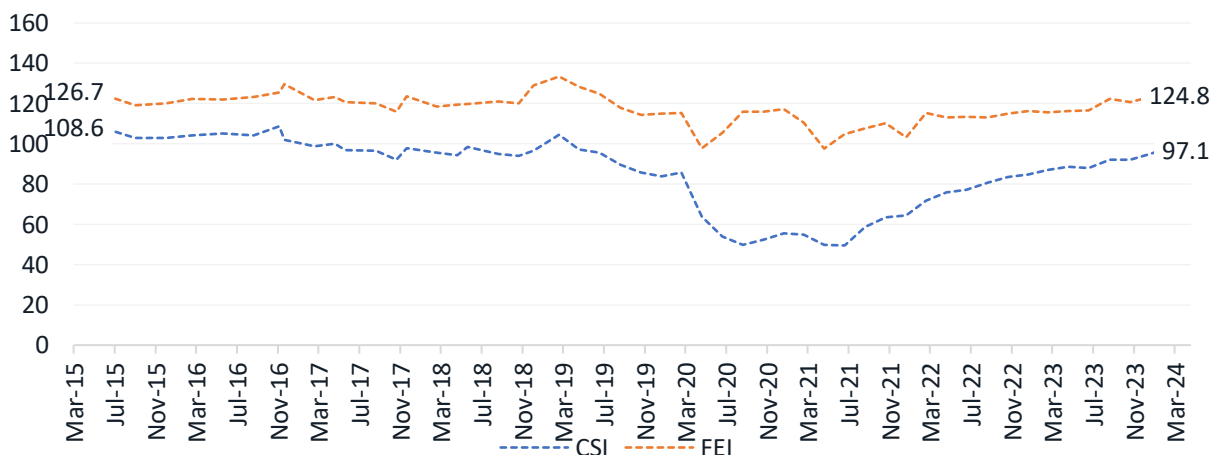
Figure 1.9: Exchange rate of the Indian Rupee vis-à-vis the USD (monthly average)



Source: RBI

RBI's Consumer Confidence Survey (CCS) collects current perceptions (vis-à-vis a year ago) and one year ahead expectations of households on general economic situation, employment scenario, overall price situation, own income and spending across nineteen major cities. Consumer confidence as reflected in the CSI (Current Situation Index) was at its lowest in July 2021. Since then, CSI has been on a path of sustained recovery and stands at 97.1 in May 2024. For the year ahead, households expect further improvement across parameters like general economic situation, employment prospects and income conditions as reflected in the FEI (Future Expectations Index), which stood at 124.8 in May 2024.

Figure 1.10: Consumer Confidence Indices



Source: RBI

Note: CSI and FEI are compiled based on net responses on the economic situation, income, spending, employment, and the price level for the current period (as compared with one year ago) and a year ahead, respectively. $CSI \text{ and } FEI = 100 + \text{Average of Net Responses of the above parameters}$

Key capital investments will determine the way forward. In order to sustain the consumption-driven growth led by the upper middle-income population with a propensity to spend, key investments will play an important role in the next two years. This will also allow the sustained momentum of domestic demand and private sector-led growth. Despite the global slowdown, Indian exports performed well, due to goods exports, services exports, and the depreciation of the Indian rupee against the dollar. Growth in investments is crucial to meet the rising demand while ensuring that the growth is non-inflationary in nature.

The Indian economy is well-placed on its growth trajectory given its focus on encouraging investments and growing businesses through public and private spending. The government has also been proactive in creating a healthy environment for businesses through smooth regulatory processes, sustainability schemes, with equal focus on domestic and foreign investments.

2. India Infrastructure Overview

India's path towards achieving developed nation status by 2047 hinges significantly on the improvement of its infrastructure. Developing liveable, climate-resilient, and inclusive cities that drive economic growth is crucial in this journey. As the country steadily advances towards becoming a global economic powerhouse, the importance of having a robust and well-developed infrastructure becomes increasingly evident. A World Bank estimate suggests that India will need to invest USD 840 billion by 2036 into urban infrastructure if it is to effectively meet the needs of its fast-growing urban population.

The government has demonstrated its commitment to this cause through various initiatives and substantial funds allocated for infrastructure development. In fact, under the FY 2023-2024 Union Budget, a significant amount of INR 10 lakh crores has been allocated, almost tripling the capital outlay allotted in the FY 2019-2020 budget. This allocation is specifically focused on the transport and logistics segments, reflecting the government's vision to improve connectivity and facilitate efficient movement of goods and people.

By prioritizing infrastructure development, India aims to create a solid foundation for sustainable growth, attracting investments, and driving economic prosperity. This includes enhancing transport systems, upgrading urban infrastructure, strengthening digital networks, and investing in sustainable energy solutions. These efforts will not only fuel economic expansion but also promote job creation, improve quality of life, and enhance the overall well-being of its citizens.

Government Initiatives

The Indian government has placed significant emphasis on addressing India's infrastructural needs and has implemented various schemes and policies to propel the country's overall capabilities and development.

National Infrastructure Pipeline

Private sector involvement is crucial for financing key infrastructure projects in India, considering the government's fiscal limitations and the importance of prudent spending. In 2020, India introduced the National Infrastructure Pipeline (NIP) with a vision of investing USD 1.4 trillion from 2020 to 2025. Over 80% of this investment will be allocated towards the development of transport, power, water, irrigation, and other urban infrastructure development. These allocations have been made keeping in mind the country's evolving environment and demographics which demand economic growth and improved quality of life via essential government services such as transportation, housing, sanitation, and digital connectivity.

Public-Private Partnerships (PPPs) have been identified as a valuable mechanism to accelerate infrastructure development and facilitate investments outlined in the NIP. Engaging the private sector promotes industry competitiveness, allowing access to a broader talent pool and optimized resource utilization. Initially launched with 6,835 projects, the NIP has expanded to encompass over 9,800 projects spanning 59 sub-sectors, with a capital outlay of ~USD 1,300 billion.

PM Gati Shakti

In 2021, the government introduced the PM Gati Shakti National Master Plan (NMP) with a primary focus on enhancing multimodal connectivity infrastructure in various economic zones within major transport sectors. This program will ensure integrated planning and implementation of infrastructure projects through institutionalizing holistic planning for stakeholders across all categories. Instead of planning & designing separately in silos, the projects will be designed and executed with a common vision. It aims to consolidate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. under a unified digital platform. Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri-zones will be covered to improve connectivity & make Indian businesses more competitive.

It harnesses extensive technology, incorporating spatial planning tools with ISRO imagery developed by BISAG-N, enabling streamlined planning, design, and monitoring of next-generation infrastructure projects through a single portal. This technological integration has resulted in notable expansions in roads, railways, and waterways, while ports and airports have undergone substantial upgrades. The India Investment Grid (IIG) database reveals an extensive pipeline of development, with over 16,200 projects currently in progress, amounting to approximately USD 2230 billion in investment.

National Logistics Policy

Logistics forms the backbone of India's international trade and plays a crucial role in diversifying both the country's exports and the products manufactured within its borders. The National Logistics Policy (NLP) is designed to address both the development of integrated infrastructure and efficiency in services within the logistics sector. This is achieved through the implementation of the Comprehensive Logistics Action Plan (CLAP), which encompasses processes, regulatory frameworks, and various interdisciplinary, cross-sectoral, and jurisdictional elements. The primary objective is to tackle cost and inefficiency issues by establishing a comprehensive framework for the entire logistics ecosystem. The policy targets reducing logistics costs from the current 16% of Gross Domestic Product (GDP) to match the global average of 8% by 2030. By doing so, it aims to stimulate economic growth, create employment opportunities, and enhance the competitiveness of Indian products in the global market. This reduction in costs will not only enhance the competitiveness of Indian products in domestic and international markets but also foster efficiency across all sectors of the economy. This, in turn, encourages value addition and entrepreneurship.

Smart Cities Mission

The ongoing Smart Cities Mission launched in India in 2015 continues to focus on urban renewal and the retrofitting of 100 cities towards enhancing quality of life of its citizens by providing core infrastructure and a sustainable environment through the application of 'smart solutions'. This initiative encompasses several Tier 2 and 3 cities, gradually blurring the divide between metro and non-metro areas. With improved connectivity, digitalization, and continuously upgrading infrastructure, these cities are experiencing exponential growth in demand for commercial real estate. IT and ITeS, BFSI, and other major sectors are decentralizing their operations driven by improved access to quality, competitively priced real estate, and a skilled workforce.

Ports

The India subcontinent comprises a 7,500-kilometre-long coastline with over 200 ports in total, including 12 major ports. Of this, 6 key ports are located on the western coast and 6 on the eastern coast. In FY 2023-24, India's major ports also handled the highest ever cargo with a total volume of 819 million tonnes, an increase of 4.45% compared to 784 million tonnes handled in FY 2022-23.

With a strong focus on emerging as a leading Blue economy of the world, the Government of India plans to invest USD 82 billion in the maritime sector by 2035. As of the FY 2023 Union Budget, the Ministry of Ports, Shipping and Waterways received an allocation of INR 1,709.50 crores which was later revised to INR 1,793.37 crores. Major strides have also made to digitalize several EXIM processes across major ports. Over the recent years the government has made several modernization, mechanization, and digital transformation efforts to streamline and costs and improve ease of doing business, especially for international trade.

The Sagarmala project, which was launched in 2015, was implemented by the Government of India towards promoting port-led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently, and cost-effectively. The vision of the programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment. This includes reducing cost of transporting domestic cargo through optimizing modal mix, lowering logistics cost of bulk commodities by locating future industrial capacities near the coast, improving export competitiveness by developing port proximate discrete manufacturing clusters and optimizing time/cost of EXIM container movement.

Project implementation initiatives include:

- **Port Modernization & New Port Development:** De-bottlenecking and capacity expansion of existing ports and development of new greenfield ports
- **Port Connectivity Enhancement:** Enhancing the connectivity of the ports to the hinterland, optimizing cost and time of cargo movement through multi-modal logistics solutions including domestic waterways (inland water transport and coastal shipping)
- **Port-linked Industrialization:** Developing port-proximate industrial clusters and Coastal Economic Zones to reduce logistics cost and time of EXIM and domestic cargo
- **Coastal Community Development:** Promoting sustainable development of coastal communities through skill development & livelihood generation activities, fisheries development, coastal tourism etc.
- **Coastal Shipping & Inland Waterways Transport:** Impetus to move cargo through the sustainable and environment-friendly coastal and inland waterways mode.

Currently there are approximately 802 projects with an estimated capex of INR 5.40 lakh crores for implementation by 2035 under the Sagarmala programme. Of this, 220 projects worth INR 1.12 lakh crores have been completed as of FY 2023 and 231 projects worth INR 2.21 lakh crores are under implementation. Apart from this, 351 projects worth INR 2.07 lakh crores are under various stages of development. These projects are being implemented by relevant authorities across the country through the PPP model. Regular monitoring of these projects has been undertaken via specialized MIS tools.

These projects have been largely categorized into port modernization, port connectivity, port-led industrialization, coastal community development & coastal shipping and inland water transport (IWT). For the holistic development of coastal districts, a total of 567 projects estimated to cost INR 58,000 crores have been identified:

	Completed		Under Implementation		Under Development		Grand Total	
Theme	No. of Projects	TPC (INR crores)	No. of Projects	TPC (INR crores)	No. of Projects	TPC (INR crores)	No. of Projects	TPC (INR crores)
Port Modernization	89	31,214	63	64,063	89	154,383	241	249,660
Port Connectivity	69	32,005	67	76,295	73	33,926	209	142,226
Port Led Industrialization	9	45,865	21	72,706	3	1,275	33	119,846
Coastal Community Development	20	1,482	19	2,577	43	7,315	82	11,375
Coastal Shipping and IWT	33	1,705	61	5,255	143	10,275	237	17,235
Total	220	112,272	231	220,896	351	207,173	802	540,341

Source: Ministry of Ports, Shipping and Waterways Annual Report 2022 - 23

The government has also expressed keen interest and invited private investment in the sector to improve earnings and efficiency. Considering this, the Ministry of Ports, Shipping and Waterways has identified 31 projects across 9 major ports for private sector participation. The estimated outlay for these projects planned till FY 2025 is INR 14,483 crores.

In 2021, Union Minister for Finance and Corporate Affairs launched the asset monetisation pipeline of Central ministries and public sector entities: National Monetisation Pipeline (NMP Volumes 1 & 2). NITI Aayog has developed the pipeline, in consultation with infrastructure line ministries, based on the mandate for 'Asset Monetisation' under Union Budget 2021-22. NMP estimates aggregate monetisation potential of INR 6.0 lakh crores through core assets of the Central Government, over a four-year period, from FY 2022 to FY 2025. Asset monetisation, based on the philosophy of Creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. Key developments under the National Monetization Pipeline (NMP) include:

- A pipeline of 81 projects estimated at INR 42,400 crores to be awarded under the PPP model till FY 2025.
- In FY 2022, the government had approved 13 projects with an estimated capex of INR 6,944 crores. Of this, 7 projects worth INR 5,278 crores have already been awarded and the others are under various stages of bidding.
- Out of the 24 projects estimated to cost INR 12,550 crores scheduled for FY 2023, 7 projects have been accorded by the government and 1 project of value INR 343 crores has been awarded while the others are in the bidding process.
- The balance 44 projects estimated to cost INR 22,790 crores, have been identified for the PPP model until FY 2025.
- With the cargo volume is expected to increase almost twice that of 2020 volumes by 2030, the percentage of cargo handled by major ports or other operators is expected to reach 85% by 2030.

Roads

India has approximately 63.73 lakh kms of road network comprising 1,44,634 kms of national highways, 1,86,908 kms of state highways and 59,02,539 of other roads. India's road network has grown by approximately 59% in the last decade to become the second largest in the world after the US. Almost 65% of all the goods in the country are all transported by road. Under the FY 2024 Union Budget, the Government of India has allocated INR 2.7 lakh crores to the Ministry of Road Transport and Highways and INR 111 lakh crores under the National Infrastructure Pipeline (NIP).

National Highways play a very important role in the economic and social development of the country by enabling efficient movement of freight and passengers and improving access to market. The pace of National Highways (NH) construction has increased consistently between 2014-15 and 2021-22 due to the systematic push through corridor-based National Highway development approach. In 2014-15, the pace of NH construction was about 12 km/ day which increased to about 29 km/ day in 2021-22.

Over the years, the government has launched several initiatives to upgrade and strengthen India's road network through various phases of the National Highways Development Project (NHDP) and is also taking the initiative forward via the Bharatmala Pariyojana Phase-I and other associated schemes and projects. The table below highlights the status as projects as of 31st December 2022:

Scheme	Total Length (Kms)	Length Completed up to 31.03.2022 (Kms)	Length Completed during 01.04.2022 to 31.12.2022 (Kms)	Total Length Completed up to 31.12.2022 (Kms)
A. Bharatmala Pariyojana Phase-I				
Economic Corridors	9,000	2,165	990	3,155
Inter Corridors & Feeder Roads	6,000	883	498	1,381
National Corridor Efficiency Improvement	5,000	1,282	130	1,412
Border & International Road Connectivity	2,000	1,134	79	1,213
Coastal & Port Connectivity Roads	2,000	69	24	93
Expressways	800	621	158	779
Subtotal	24,800	6,154	1,879	8,033
Balance road works under NHDP	10,000	2,788	968	3,756
Grand Total	34,800	8,942	2,847	11,789
B. Other Schemes				
SARDP-NE (Phase A+ Arunachal Pradesh)	6,418	4,212	261	4,473
LWE (including Vijayawada Ranchi Route)	6,085	5,797	31	5,818
EAP (WB+JICA+ADB)	2,855	1,521	243	1,764

Source: Ministry of Road Transport and Highways Annual Report 2022 – 23

In October 2017, the government launched the Bharatmala Pariyojana with the primary focus of optimizing the efficiency of the movement of goods and people across the country. The Phase I of the Bharatmala Pariyojana approved focuses on bridging critical infrastructure gaps through development of 34,800 kms of National Highways. The Pariyojana emphasized on a "corridor based National Highway development" to ensure infrastructure symmetry and consistent road user experience. The key components of the Pariyojana are Economic Corridors development, Inter-corridor and feeder routes development, National Corridors Efficiency Improvement, Border, and International Connectivity Roads, Coastal and Port Connectivity Roads and Expressways.

Figure 2.1: Components of Bharatmala Pariyojana Phase-I Approved Length - ~34,800 Kms



Source: Press Information Bureau of India, Ministry of Road Transport & Highways

Figure 2.2: Status of Award of Bharatmala Pariyojana Phase-I Length ~23,526 Kms





Source: Press Information Bureau of India, Ministry of Road Transport & Highways

First and last mile connectivity to the 200+ ports in India has also been a key focus area for the Ministry of Road Transport & Highways. Over 55 port connectivity and associated hinterland projects spanning approximately 2,800 Kms have been initiated by the ministry of which 8 projects spanning 294 kms have been completed, 14 projects spanning 1,645 km are under implementation, 13 projects spanning 363 kms are under bidding and 20 projects of length 476 kms are yet to be awarded. On completion, 45 maritime ports in India will have access to National Highways or have 4+ lanes connectivity.

Wayside Amenities: In order to improve the comfort and convenience of the highway users, the Ministry has proposed the development of state-of-the-art Way Side Amenities (WSA) at a 40 kms interval along all the National Highways in India. These facilities are being planned to provide multiple options of rest and refreshment for the commuters during their journey pan India. Some of the mandatory facilities being developed at each WSA are fuel stations, food court/restaurants, dhabas, convenience stores, clean and hygienic washroom facilities, drinking water, first aid/medical room including childcare room, dedicated area for promoting local artisans, car/bus/truck parking, drone landing facilities/helipad etc.

A total of 600+ WSA sites are planned for development by FY 2025 of which 144 WSA sites, along both brownfield (109 sites) and greenfield (35 sites) corridors, have already been awarded. Bids are under evaluation for 12 additional sites and have been invited for the additional 25 sites.

National Master Plan for Expressways: With a total length of 9,860 kms, the Ministry of Road Transport and Highways is developing 27 greenfield corridors for new expressways over the next 25 years. The vision of this programme is to enable integrated infrastructure development with economic development.

Road Type	Number of Corridors	Length (Kms)	Total Project Cost INR crores)
Expressways	5	2,489	1,63,930
Access controlled	22	7,371	2,44,508
Total	27	9,860	4,08,437

Source: Ministry of Road Transport & Highways

This also comprises the 1,386 km long Delhi-Mumbai Expressway which is poised to be India's largest expressway. Out of the ~24,800 km approved under Bharatmala Pariyojana Phase-I, a total length of 17,555 kms has been awarded. Similarly, out of the residual NHDP component 10,000 kms to be completed Bharatmala Phase-I, a total length of 5,972 km has been awarded.

Air Passenger Traffic

The Indian aviation industry is one of the largest in the world and is likely to overtake China and the United States as the world's third-largest aviation market by 2030. It is one of the fastest growing industries in India over the last three years registering an annual growth of 51.70 % with a total volume of 37.50 million passengers during Q1 2023 as compared to 24.72 million during the Q1 2022.

Domestic Routes: During the year 2022 (January-December), scheduled domestic airlines operated a total number

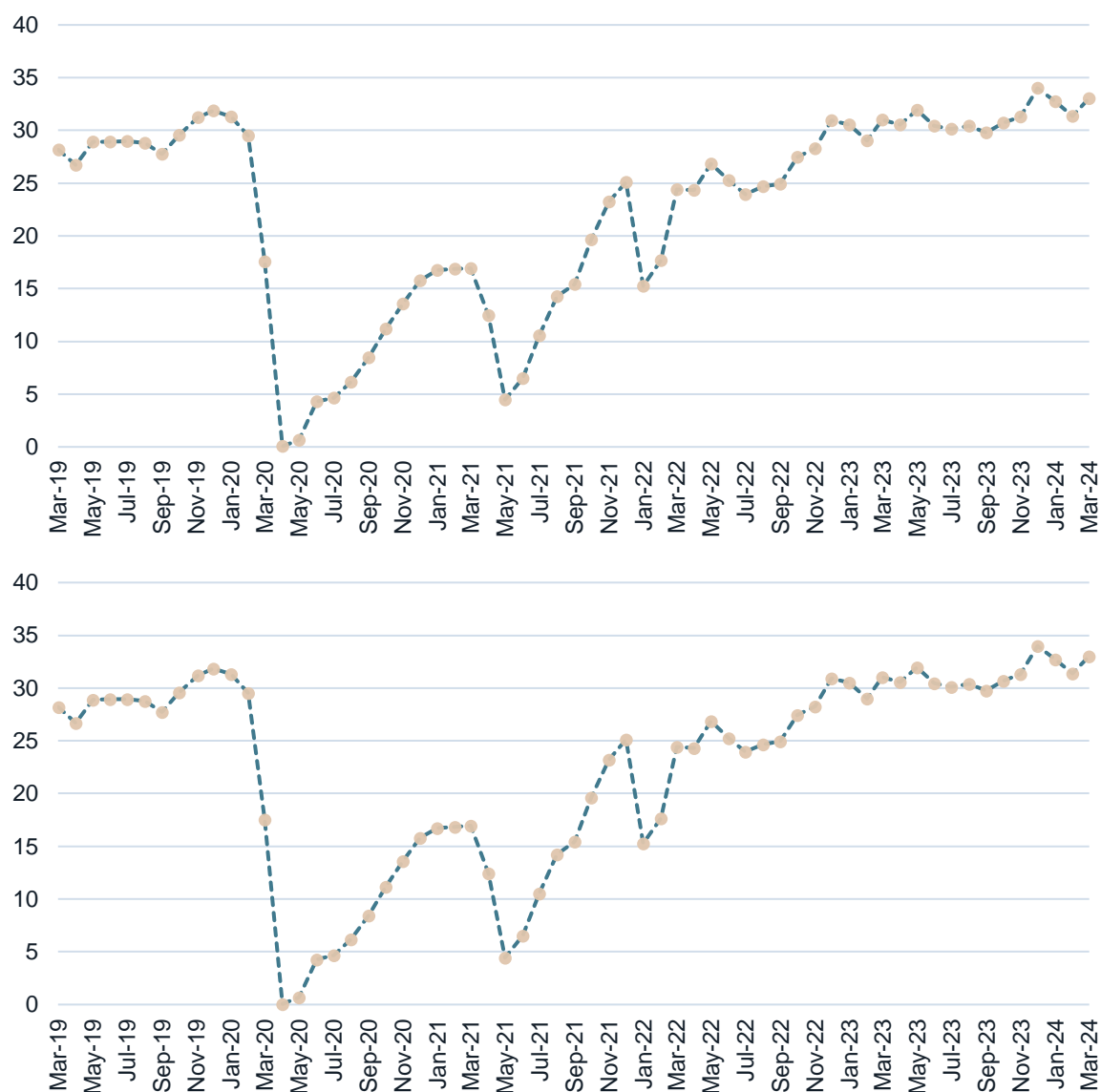
of 9.43 lakh scheduled flights carrying a total of 123.2 million scheduled passengers as against 7.31 lakh scheduled flights carrying total of 82.74 million scheduled passengers during the previous year 2021 (January-December). The number of domestic passengers carried by scheduled domestic Indian Carriers has witnessed a growth of 48.9% in the year 2022 as compared to the same period last year.

International Routes: During the period January to December 2022 a total of 43.4 million passengers were carried on international routes by scheduled Indian/foreign carriers as against 17.2 million during the same period in 2021, thereby witnessing a growth of 152.7 %. Out of the 43.4 million passengers, 20.9 million passengers were carried by scheduled Indian carriers while 22.5 million passengers were carried by scheduled foreign carriers during the period January to December 2022.

Average monthly air passenger traffic in India during CY 2019 was recorded at approximately 29.1 million. This figure dropped to 11.9 million in CY 2020 due to COVID and started recovery with 15.1 million by CY 2021. Traffic data for CY 2022 increased month on month since H2 2022 resulting in a monthly average of 24.5 million passengers and recorded an annual growth of 61% as compared to CY 2021.

As seen in the graph below, air passenger traffic for March 2024 has surpassed December 2019 levels which was the peak monthly air traffic recorded pre-Covid.

Figure 2.3: Total Passengers Handled (In Million)



Source: AAI

While the top 6 metro areas account for majority of all air travel, their share of air traffic has decreased from 69% in FY 13 to 57% in FY 21. A small percentage of air traffic concentration is steadily moving to Tier 2+ cities.

The industry has created 4 million jobs, contributing 5% of the GDP. The Indian government is planning to set up 220 new airports by 2025, in recognition of the need to grow infrastructure and manpower to accommodate the growing number of passengers. INR 98,000 crores will be spent on the construction of new greenfield airports and development of existing brownfield airports over a 4-year span. The private sector will contribute INR 62,000 crore and the GOI will provide INR 36,000 crore through AAI.

UDAN

Under the UDAN-RCS scheme, the government is aiming to boost air connectivity in India by expanding into untapped markets to improve air connectivity by providing affordable, economically viable, and profitable travel on regional routes.

Connectivity has further improved with 59 tourism routes included for better connectivity of important tourist places including Iconic sites, out of which 51 routes have already been operationalized.

An amount of INR 104.19 crores has already been reimbursed to the Airport Authority of India (AAI) in the form

of viability gap funding (VGF) during FY21 and FY22 towards the UDAN.

The Government of India is working on initiatives to improve regional air connectivity under UDAN. Focused on connected tier 2 and tier 3 cities. Following are some of the key developments:

Airport	Details
Bhiwadi Greenfield International Airport	This is a new airport being built in Alwar, Rajasthan. The airport will take up 5,086 acres of land, and in total will cost INR 10,670 crores across 4 stages of development.
Srinagar International Airport	<p>This is scheduled to undergo expansion to improve aviation facilities and increase the area's air connection.</p> <p>The terminal building will be expanded by 3 times its size to accommodate the increased number of travellers in the area.</p> <p>Two new aircraft stands are to be installed as well, improving accessibility and regional economic development. The projected cost for the expansion is INR 1,500 crores.</p>
Mandi Greenfield International	Located in Himachal Pradesh, this airport is being considered for development with an allocated budget of INR 2,000 crores.
Upcoming Jewar International Airport in Noida	<p>This Noida is anticipated to be India's largest airport in order to lessen the traffic load on Indira Gandhi International Airport in Delhi.</p> <p>Four stages have been introduced for this airport:</p> <ul style="list-style-type: none"> • Phase 1 includes a peak 2,750-passenger capacity terminal building, a management building, a security staff building, and two runways. • Phase 2 - Construction of the Terminal to accommodate an extra 2,750 passengers • Phase 3 - Terminal Building Expansion with Maximum Additional Capacity of 3,500 Passengers • Phase 4: Expansion of the Terminal Building to a maximum of 3,000 additional passengers per hour.
Dr. Babasaheb Ambedkar International Airport (Nagpur)	<p>This is a new project which includes the Multi-modal International Cargo Hub and Airport in Nagpur (MIHAN).</p> <p>In terms of investment, it is the largest economic development project in India. By 2035, the projected cost is INR 2,581 crores in capital expenditures and revenue is INR 5,280 crores.</p> <p>There are two sections to this project:</p> <ul style="list-style-type: none"> • An international airport and goods hub will be located on Nagpur's southern edge. • The second section consists of a residential zone covering a total area of 40.25 sq.km. within a Special Economic Zone (SEZ).

Source: JLL Research

By 2026, the UDAAN scheme is targeting to add over 200 destinations (including airports/heliports/water aerodromes) and 1,000 routes towards boosting air connectivity in the untapped geographies in India.

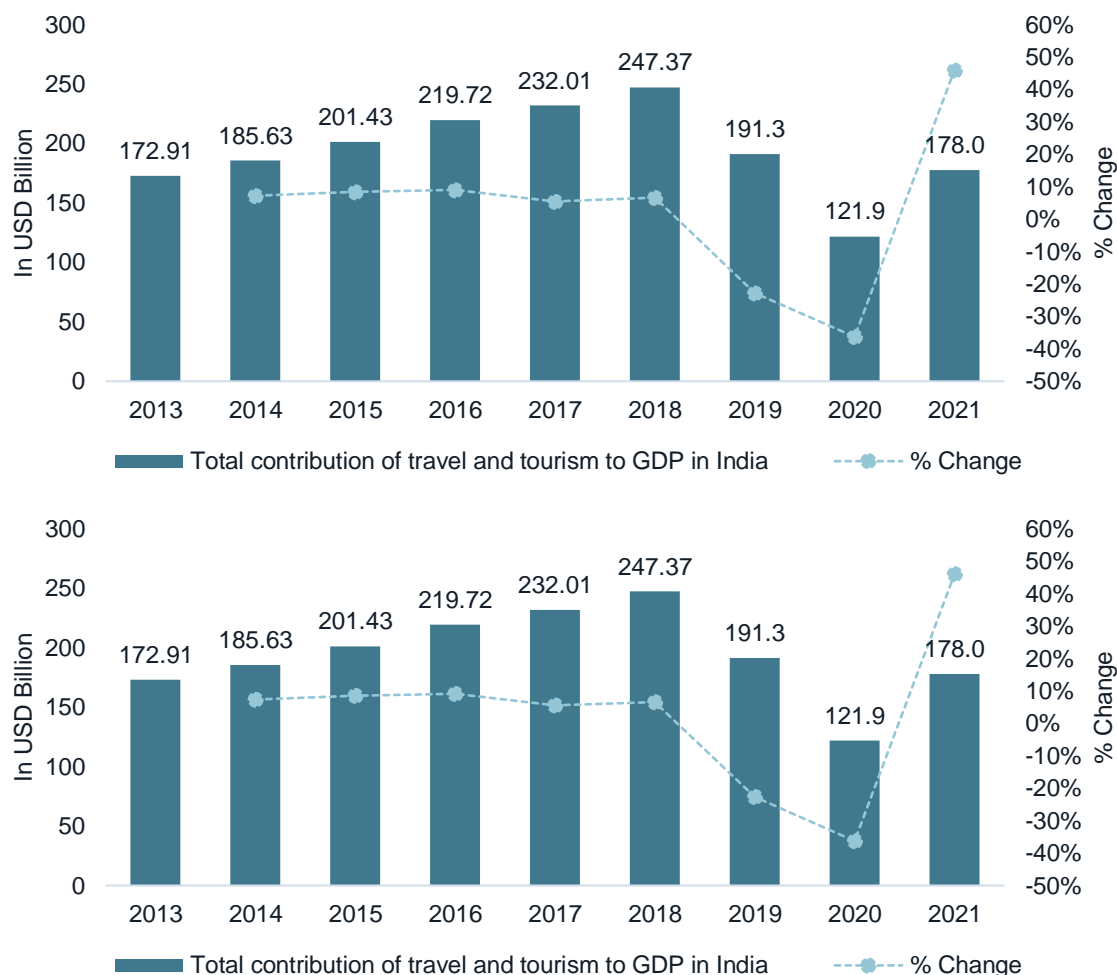
The country's civil aviation sector has immense potential owing to growing demand from the middle class, higher disposable incomes, and favourable demographics, while air travel has rebounded with the lifting of the coronavirus pandemic-related curbs, according to the Economic Survey 2022-23. The government has also approved INR 4,500 crores for the revival of existing unserved/ underserved airports/airstrips of the state governments, Airports Authority of India (AAI), public sector undertakings and civil enclaves. In-principal approval has also been granted for the setting up of 21 greenfield airports. More than 10 million air passengers have availed themselves of the benefit of the UDAN scheme since its inception.

3. India Travel and Tourism Overview

In 2021, India's travel and tourism sectors demonstrated a remarkable recovery, contributing approximately

178 billion to the country's GDP, accounting for 5.8% of the total. This figure exhibited a remarkable 43% increase compared to the previous year and is almost 85% of the 2019 figure. It is worth noting that international demand made up a modest 5% of the total, while domestic demand accounted for the remaining 95%, showcasing the country's strong domestic tourism market. Domestic spend also saw an impressive growth of over 50% compared to the same period last year. The Indian tourism industry is anticipated to grow at a CAGR of 8.65% between 2021 and 2034 and is anticipated to reach a total value of USD 523.6 billion.

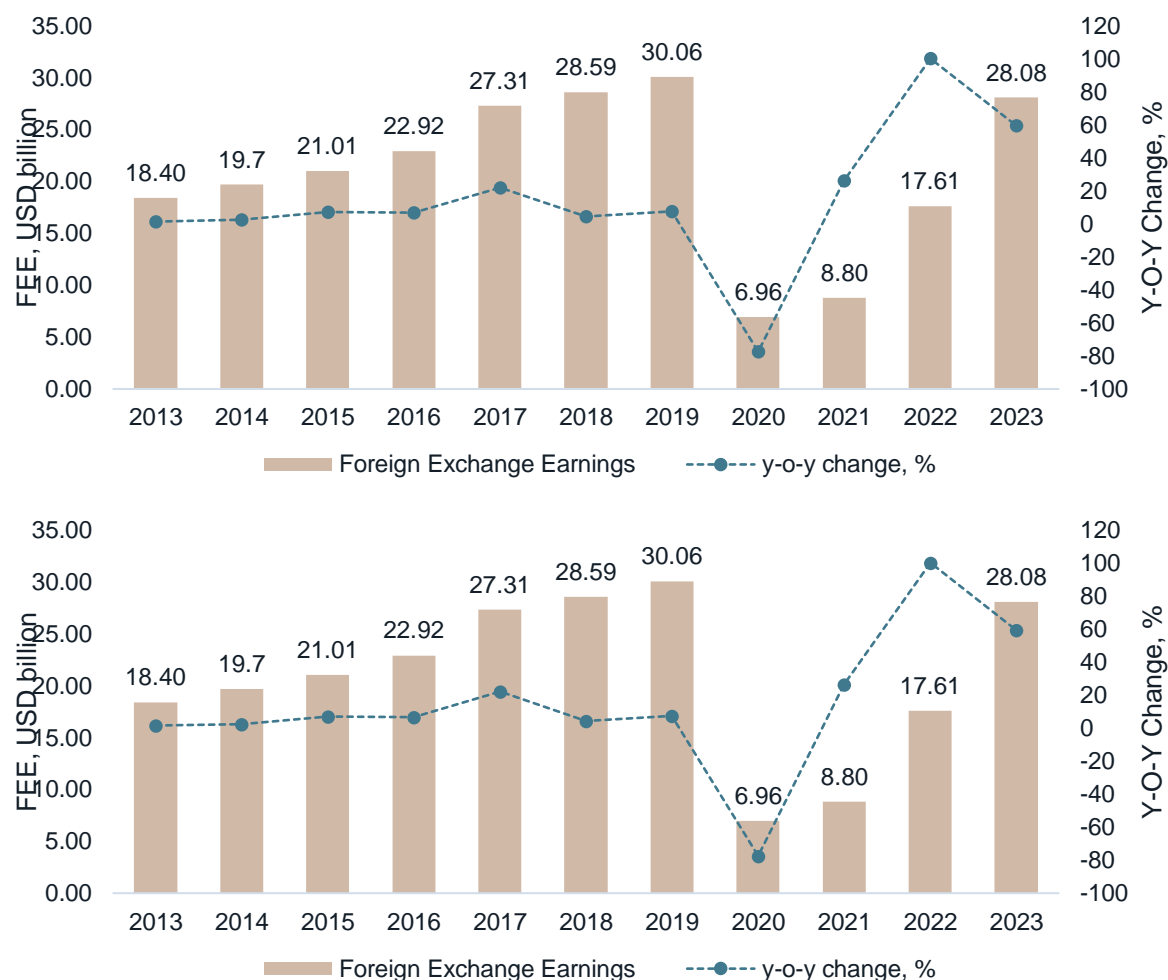
Figure 3.1: Total contribution of travel and tourism to GDP in India



Source: JLL Research

The travel and tourism industry also plays a significant role in generating employment opportunities, creating 70.04 million direct and indirect jobs during the year 2021-2022. This accounts for approximately 12.7% of the total employment in India during the specified period. Additionally, it is worth noting that travel and tourism is the third largest foreign exchange earner for India.

Figure 3.2: Foreign Exchange Earnings from Tourism in India

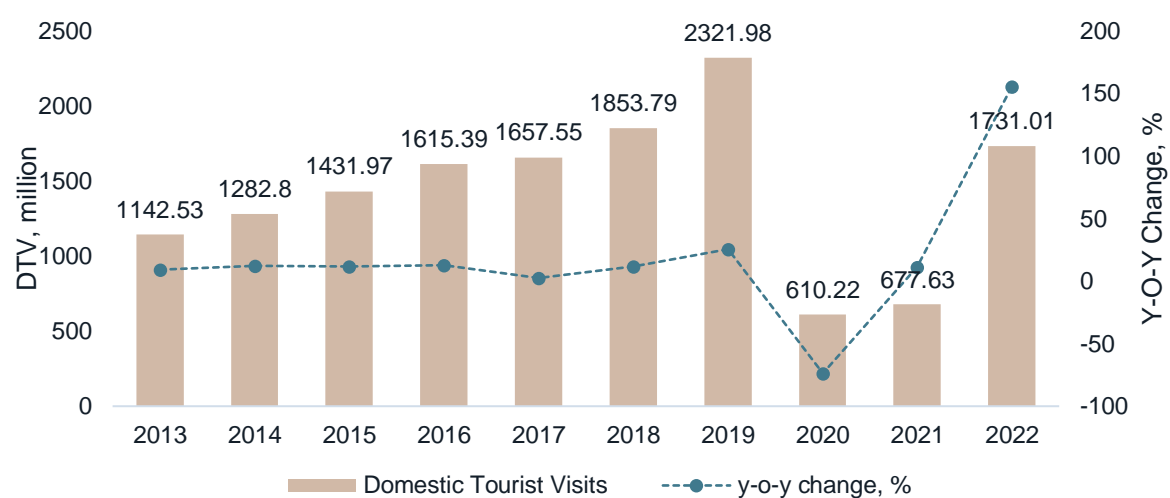
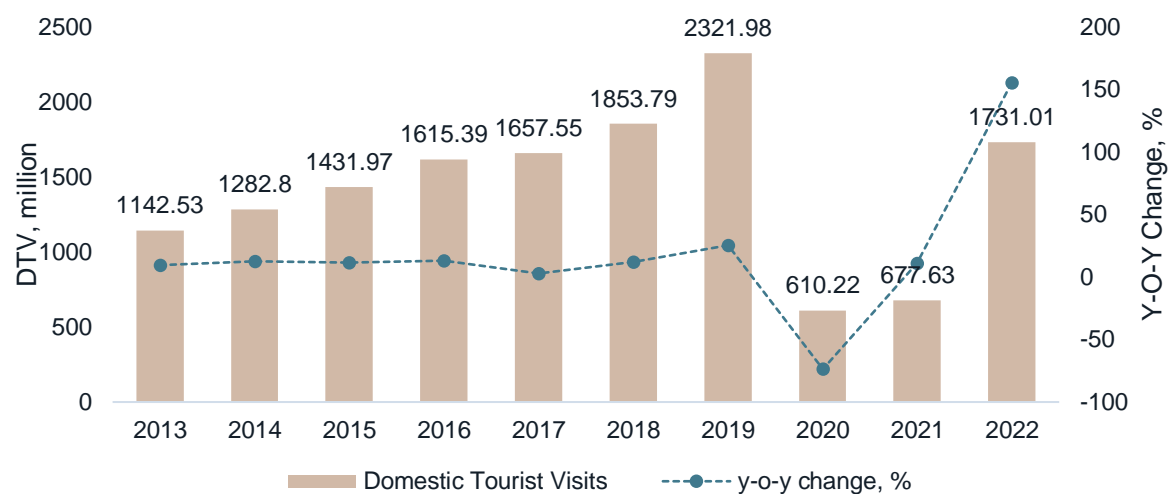


Source: World Travel and Tourism Council, JLL Research

Foreign exchange earnings from tourism in India are also on the path to recovery in comparison to previous years. Month-wise foreign earnings have shown an upwards trajectory and will be further supplemented by the increasing number of FTAs in India. In CY 2022, India reported a total of 6.19 million FTAs with a four-fold increase over the previous year. These statistics highlight the resilience and adaptability of India's travel and tourism industry in the face of adversity. Despite the challenges posed by the global pandemic, the industry has rebounded strongly, primarily driven by domestic tourism. It signifies the immense potential and importance of the domestic market in driving economic recovery and job creation within the country. As the industry continues to regain its momentum, there is a growing need for sustained efforts to promote responsible and sustainable tourism practices. Balancing economic development with the preservation of natural and cultural resources will be crucial to ensuring the long-term viability and success of India's travel and tourism industry.

While domestic tourism was the first to recover and continues to perform well, foreign tourist arrivals (FTAs) for 2023 have already recovered to ~85% of 2019 levels and we expect this recovery to continue in the coming years. FTAs are anticipated to reach 30.5 mn by 2028.

Figure 3.3: Domestic Tourist Visits



Source: Ministry of Tourism, JLL Research

Figure 3.4: Foreign Tourist Arrivals in India

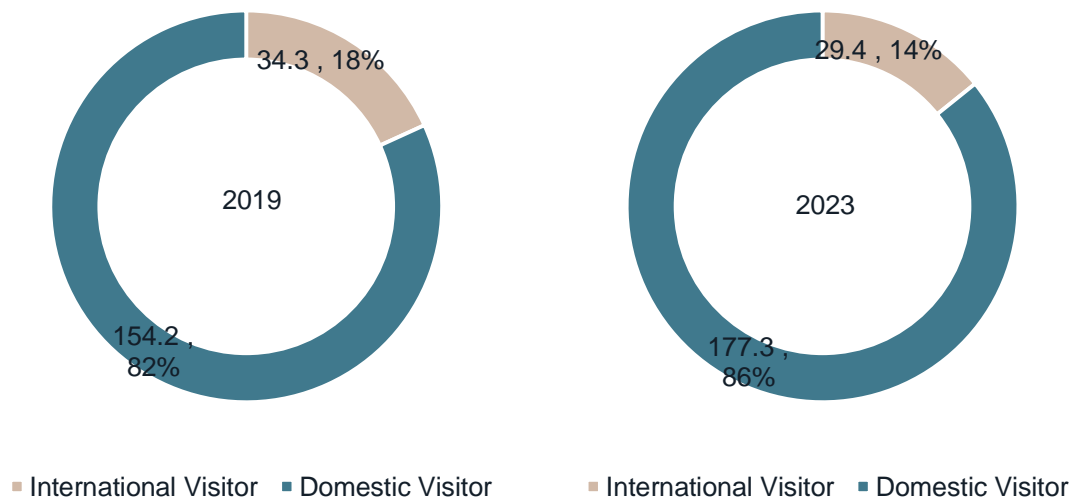


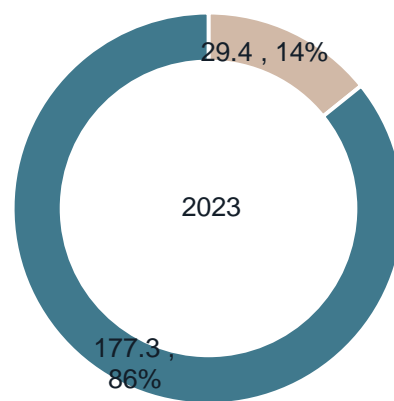
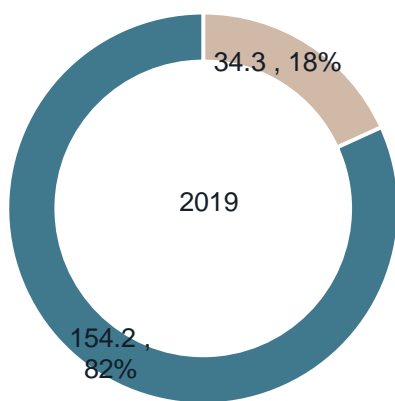


Source: Ministry of Tourism, JLL Research

In 2023, the domestic visitor spending in India was valued at USD 177.3 billion as against USD 154.2 billion in 2019. Domestic travel is largely categorised into leisure and business segments, both of which are projected to increase two folds by 2028 as compared to 2019 figures.

Figure 3.5: International v/s Domestic Spending (USD billion)



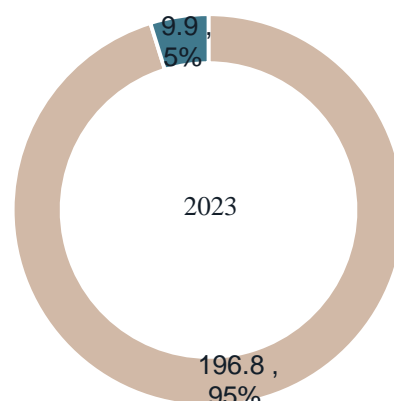
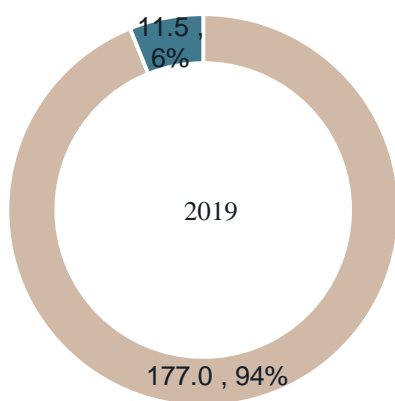


■ International Visitor ■ Domestic Visitor

■ International Visitor ■ Domestic Visitor

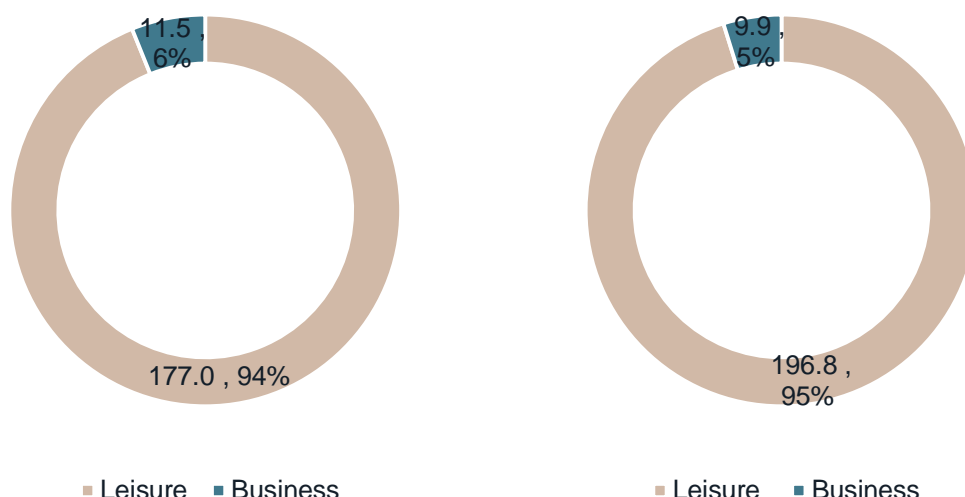
Source: World Travel and Tourism Council, JLL Research

Figure 3.6: Leisure v/s Business Spending (USD billion)



■ Leisure ■ Business

■ Leisure ■ Business



Source: World Travel and Tourism Council, JLL Research

As per World Travel and Tourism Council (WTTC), by 2034, India will have one of the largest travel and tourism contribution to the GDP, worth USD 523.6 billion. In 2021-22, the industry accounted for ~12.7% (direct + indirect) of the total employment in India. The industry is estimated to add more than 20 million new jobs between 2023 and 2034 making it one of the largest contributors to employment in India

Union Budget FY 2023-24 Highlights

The Union Budget 2023-24 announced in February 2023 highlights tourism as one of the key contributing sectors to the economy and allocated an amount of INR 2,400 crores to the Ministry of Tourism. The allocations in this budget prioritise the development of several tourism destinations in a holistic manner with a keen focus on 50 destinations which can be promoted globally on account of world class tourist facilities.

Following are some of the key takeaways from the budget announcements and the post-budget webinar on "Developing Tourism in Mission Mode", organized by the Ministry of Tourism:

- 50 tourist destinations to be developed to wholesome tourism experience under 'Swadesh Darshan Scheme'
- Continued focus on development of large infrastructure, connectivity, and border linkages towards boosting tourism
- Integrated and innovative 'Vibrant Village Programme' for development of tourism infrastructure and facilities in border villages proposed
- States to be encouraged to set up Unity Malls in State Capital as the most prominent tourism centres to promote One District One Product, GI products, handicrafts, and products of other States
- Revamping of the credit guarantee scheme for MSMEs through infusion of INR 9,000 crore in the corpus, enabling additional collateral-free guaranteed

The government has also launched several initiatives in the past to further boost the travel and tourism industry:

- In 2019, the Government reduced GST on hotel rooms with tariffs of INR 1,001 (US\$ 14.32) to INR 7,500 (US\$ 107.31) per night to 12% and those above INR 7,501 (US\$ 107.32) to 18% to increase India's competitiveness as a tourism destination.
- An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels under 2-star category and above across India, thus permitting a 100% deduction in respect of the whole or any expenditure of capital nature.
- An app will be developed covering all relevant aspects of tourism. States will be encouraged to set up Unity Malls in State Capital as the most prominent tourism centres to promote One District One Product, GI products, handicrafts, and products of other States.
- The Emergency Credit Line Guarantee Scheme (ECLGS) covered through a liberal definition of MSME (micro small and medium enterprises) has been expanded to include tourism and hospitality stakeholders. Infrastructure status has been granted to exhibition-cum-convention centres.
- A separate liquidity window of INR 15,000 crore (US\$ 1.8 billion) has been released for the sector.
- FDI inflows in the Tourism & Hospitality sector reached US\$ 16.48 billion between April-June 2022.

- India was globally the third largest in terms of investment in travel and tourism with an inflow of US\$ 45.7 billion in 2018, accounting for 5.9% of the total investment in the country.
- The Indian government has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. Dream Hotel Group plans to invest around US\$300 million in the next 3-5 years for the development of the cruise sector in India.

Swadesh Darshan

Under the Union Budget 2023-24, an outlay of US\$ 170.85 million has been allocated for the Swadesh Darshan Scheme to develop a complete package of 57 tourist destinations for providing a wholesome tourism experience by facilitating physical, digital, and virtual connectivity, availability of tourist guides and tourist security. This scheme envisages theme-based tourist circuits in the country which have been developed on the principles of high tourist value, competitiveness, and sustainability in an integrated manner.

So far, 15 themes have been identified for developing theme-based circuits. These themes include Buddhist Circuit, Coastal Circuit, Desert Circuit, Eco Circuit, Heritage Circuit, Himalayan Circuit, Krishna Circuit, North-East Circuit, Ramayana Circuit, Rural Circuit, Spiritual Circuit, Sufi Circuit, Tirthankar Circuit, Tribal Circuit, Wildlife Circuit and Wayside.

The Ministry of Tourism has sanctioned 76 projects under the scheme since its inception under 13 themes for a revised sanctioned cost of ~US\$ 669 million and has released ~US\$ 600 million (till February 28, 2023).

PRASHAD Scheme

PRASHAD (Pilgrimage Rejuvenation And Spiritual Augmentation Drive) Scheme focuses on developing and identifying pilgrimage sites across India for enriching the religious tourism experience. It aims to integrate pilgrimage destinations in a prioritized, planned, and sustainable manner to provide a complete religious tourism experience. The growth of domestic tourism hugely depends on pilgrimage tourism.

Since its launch in January 2015 and Ministry has sanctioned 46 projects in 26 states with estimated expenditure of more than US\$ 200 million, as on January 31, 2024. Under Budget for FY 2023 – 2024, the Government has allocated US\$ 30.25 million for the development of tourist circuits under PRASHAD.

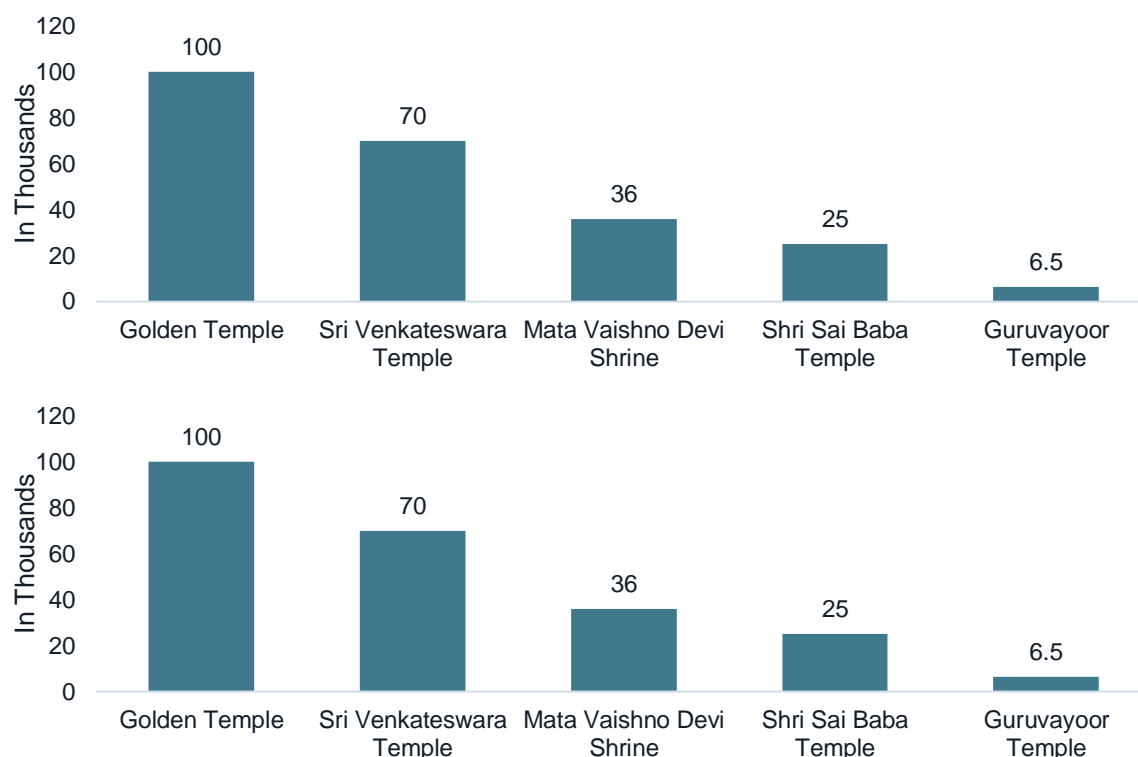
Types of Tourism in India

Religious Tourism

India is a religious and cultural destination. In several regions, religious tourist trips outnumber leisure holidays to hill stations, getaways to sea beaches and trips to metropolitan cities. Of the total tourist trips in India, the largest portion is made of religious pilgrimages.

- The places of religious tourism earned INR 1,34,543 crores in 2022, up from INR 65,070 crores in 2021. In 2018, the revenue was INR 1,94,881 crore, followed by INR 2,11,661 crores in 2019 and a significant dip due to the pandemic in 2020 to INR 50,136 crores. The number of domestic tourists that visited places of pilgrimage were 1,433 million in 2022, while 6.64 million foreign tourists visited India. In 2021, the numbers stood at 677 million and 1.05 million, respectively.
- Amritsar is Punjab's most important tourist destination and attracts many tourists through religious attractions like the Golden Temple. As of 2022, The Golden Temple was receiving at least 1 lakh visitors daily.
- Sanchi, Madhya Pradesh (Buddhist tourism) - Has the Sanchi Stupa; The Interpretation Centre developed at the Sanchi spread over 3000 sq ft. is dedicated to the life of Lord Buddha

Figure 3.7: Estimated daily pilgrims in 2022



Source: JLL Research

Sustainable tourism

The Ministry of Tourism has launched Swadesh Darshan 2.0, a pioneering initiative aimed at developing sustainable and responsible tourism destinations in India. This groundbreaking scheme adopts a destination and tourism-centric approach, emphasizing the importance of sustainability across environmental, socio-cultural, and economic aspects. By actively involving local communities in the tourism development process, it fosters a sense of ownership and empowerment.

Swadesh Darshan 2.0 encompasses the development of 57 destinations throughout the country. These include noteworthy locations such as Nacho, Jorhat, Nalanda, Gaya, Dwarka, Dholavira, Colva, Porvorim, among others. The initiative espouses principles and practices that aim to minimize the negative impacts of travel and tourism on the environment and local communities.

One of the key objectives of Swadesh Darshan 2.0 is to support local businesses and create new employment opportunities. By encouraging tourists to engage with local enterprises, it promotes economic upliftment within communities. Additionally, the program seeks to attract private sector investments in the tourism industry, further contributing to overall economic growth. Moreover, the scheme prioritizes environmental sustainability. Efforts are made to protect and conserve natural resources, promote eco-friendly practices, and minimize the carbon footprint of tourism activities. By preserving the rich biodiversity and pristine landscapes of these destinations, the scheme ensures the long-term viability of sustainable tourism.

Swadesh Darshan 2.0 stands as a pioneering step towards transforming India's tourism industry into a more sustainable and inclusive sector. By integrating sustainability principles at every stage of tourism development, it ensures the well-being of both the environment and local communities. Through this comprehensive approach, India is poised to become a prime example of responsible and sustainable tourism on a global scale.

Rural tourism

Rural India plays a significant role in the nation's economy, contributing nearly half of the country's overall GDP, accommodating 63% of the population, and accounting for 33% of savings. These figures showcase the immense potential for the development of rural tourism in the country. Recognizing this opportunity, the Ministry of Tourism has established a focus on Rural Tourism and Rural Homestays, identifying six niche experiences that

cater to tourists seeking to explore rural India: agritourism, art and culture, ecotourism, wildlife, tribal tourism, and homestays.

Under this initiative, more than 134 villages have been identified, offering distinct experiences for tourists. These villages showcase the diverse cultural and natural wealth of rural India. Some notable examples include:

- Tamil Nadu: Kolukkumalai, boasting the highest tea plantation in the world.
- Kerala: Dewalokam, serving as a serene yoga centre on the enchanting riverbank.
- Nagaland: Konyak Tea Retreat, providing an immersive tribal cultural experience.
- Telangana: Pochampalli village, offering a glimpse into traditional weaving techniques.
- Himachal Pradesh: Pragpur village, where travellers can experience the heritage architecture of Kangra

These rural destinations offer tourists a chance to escape the hustle and bustle of city life and immerse themselves in the authentic essence of rural India. The experiences range from hands-on agricultural activities to exploring local art, culture, and traditions. Visitors can witness the beauty of ecologically diverse landscapes, encounter unique flora and fauna, engage with indigenous communities, and enjoy the warmth and hospitality of homestays.

Rural tourism not only provides visitors with unforgettable experiences but also contributes significantly to the economic and social development of rural communities. It creates employment opportunities, preserves local traditions, and helps in the conservation of natural and cultural heritage.

To further develop rural tourism in India, continued efforts are needed to improve infrastructure, facilitate skill training, and promote awareness among tourists. Partnerships between government agencies, local communities, and private enterprises can play a vital role in fostering sustainable and responsible tourism practices. By embracing the potential of rural tourism and highlighting the distinctive offerings of rural India, the country can attract domestic and international visitors seeking off-the-beaten-path experiences. This, in turn, will foster economic growth, empower rural communities, and showcase the rich cultural tapestry and natural splendour of rural India on the global stage.

Halal tourism

Halal tourism in India is a burgeoning sector that offers new business avenues and caters to the specific needs of Muslim travellers. This form of religious tourism, typically associated with Middle Eastern countries, presents a fresh opportunity in India's tourism market. Halal tour packages and destinations are designed to accommodate Muslim requirements in terms of food, clothing, lifestyle, and religious practices. In cities like Agra, which boast significant cultural and historic ties to Islam, tourists can embark on a halal tour that includes visits to iconic landmarks like the Taj Mahal, Agra Fort, and other notable Muslim architecture in the city. These packages encompass halal meals, designated prayer spaces, and the exploration of local mosques. Moreover, Muslim travellers can request the services of a Muslim tour guide and avail themselves of halal-friendly accommodation options in places like Agra, Delhi, and Mumbai. India's increasing popularity as a halal tourism destination, coupled with its rich cultural heritage and architectural marvels, provide an exciting opportunity for growth and collaboration within this sector.

Adventure Tourism

Blessed with an unparalleled natural landscape, India boasts a wide range of natural attractions, including pristine forests, snow-clad Himalayas, montane grasslands, golden and silver deserts, rivers, lakes, wetlands, mangroves, beaches, volcanoes, and corals, all housing a staggering biodiversity. The country is also home to iconic species like tigers, lions, elephants, rhinos, leopards, wild buffaloes, Indian bison (gaur), and over 1200 species of birds.

Furthermore, India enjoys a significant geographical advantage, with abundant natural and eco-tourism resources:

- 70 percent of the Himalayas
- 7,000 kms of coastline
- Boasting both hot and cold deserts, making it one of the three countries in the world with this distinction
- Ranks 10th globally in terms of forest cover
- Ranks 6th for the number of recognized UNESCO Natural Heritage sites

Despite its natural wealth and potential, India currently ranks relatively low in global adventure tourism. According to the 2020 Adventure Tourism Development Index, India currently ranks 96th out of 191 countries in terms of adventure tourism development. However, the country has the opportunity to transform into a global marketplace for adventure activities and sports. With its diverse geographical conditions from North to South and

East to West, India holds a competitive edge in developing a variety of adventure tourism opportunities.

India has set an ambitious target of achieving a USD 3 trillion tourism economy by 2047. As part of this vision, adventure tourism is expected to contribute USD 800 billion, positioning India among the top ten adventure tourism destinations globally. This transformation would enable India to attract adventure tourists from around the world, capitalizing on its abundance of natural attractions and diverse adventure sports offerings.

By leveraging its natural resources, promoting adventure activities such as trekking, mountaineering, river rafting, wildlife safaris, scuba diving, desert safaris, and more, India has the potential to emerge as a top adventure tourism hotspot. The development of world-class infrastructure, promoting responsible and sustainable practices, and ensuring the safety of adventure enthusiasts will be crucial in realizing this vision.

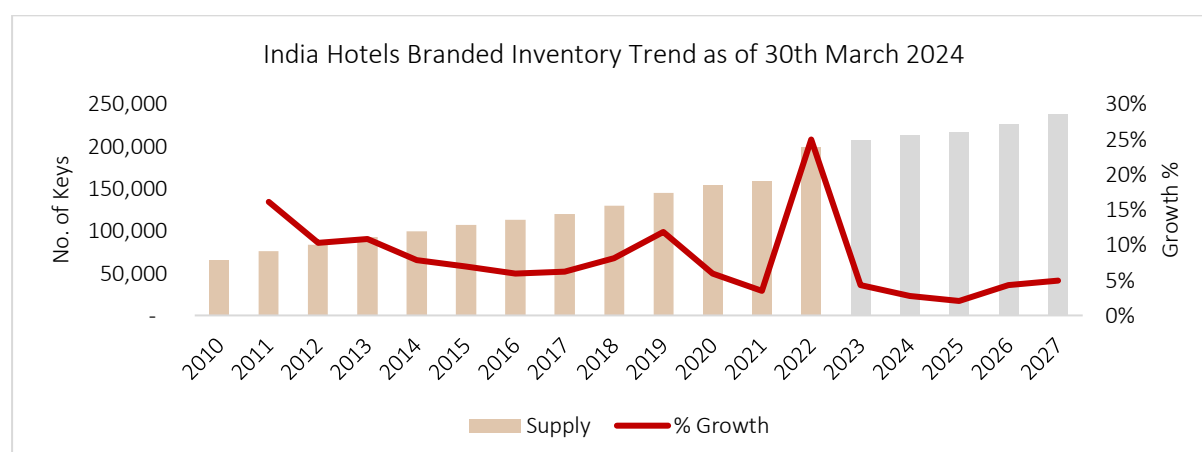
With its rich natural heritage and a global push towards unique and exhilarating experiences, India is poised to harness its adventure tourism potential and establish itself as a remarkable destination for adventurers seeking thrilling escapades.

4. India Hospitality Sector Overview

Inventory Overview

As of 31st May 2024, India has over ~389,000 keys comprising branded hotels, independently run hotels and aggregators. While branded supply includes hotels which are managed by hotel operating chains, independently run hotels are typically owned and managed by the same entity.

The table below maps out the inventory growth in India since 2010. The increase in volume in 2022 can also be attributed to the completion of several projects which were on hold for the two years before that.



Source: JLL H&HG

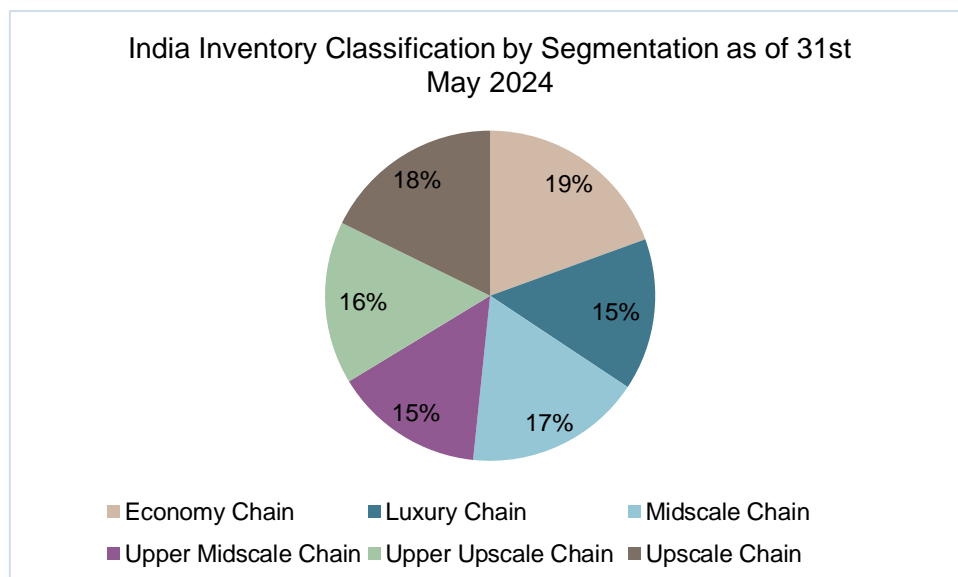
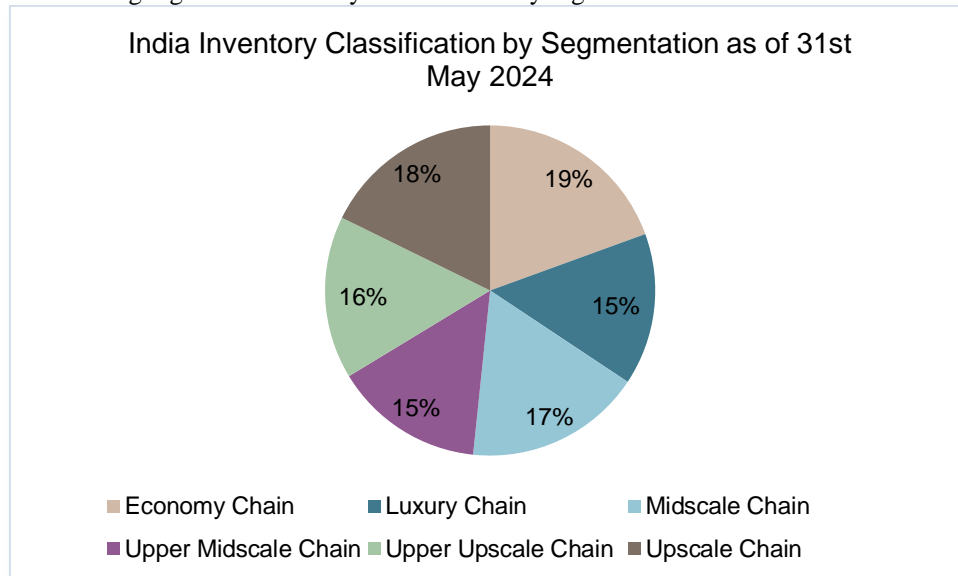
Hotel inventory in India is typically categorized into the following segments:

Hotel Segment	Description
Economy	These are typically two-star hotels providing functional accommodations and limited services, while being focused on price consciousness.
Midscale	These are usually three-to-four-star hotels with distinctly moderate room sizes and pricing. Hotels in the category may have select services and facilities.
Upper Midscale	These hotels are full-service hotels, typically with lesser public areas and facilities with relatively smaller room sizes in comparison to upper upscale and upscale hotels. In India, these would generally be classified as four-star hotels.
Upscale & Upper Upscale	These are hotels which are more moderately positioned and priced than luxury hotels. This category would have multiple dining and recreational facilities with large public areas. In India, these would generally be classified as five-star hotels.
Luxury	Typically refers to the topmost tier of hotels. In India, these would generally be classified as five-star deluxe hotels.

Inventory Overview by Segmentation

As of 31st May 2024, 50% of the country's branded supply lies in the Midscale to Upscale segments. Individually, the Economy and Upscale segments comprise the largest share i.e., 19% and 18% each of the total branded inventory in India with a strong and growing presence across all Indian cities, especially in Tier 3 markets.

The pie chart below highlights the inventory classification by segmentation:



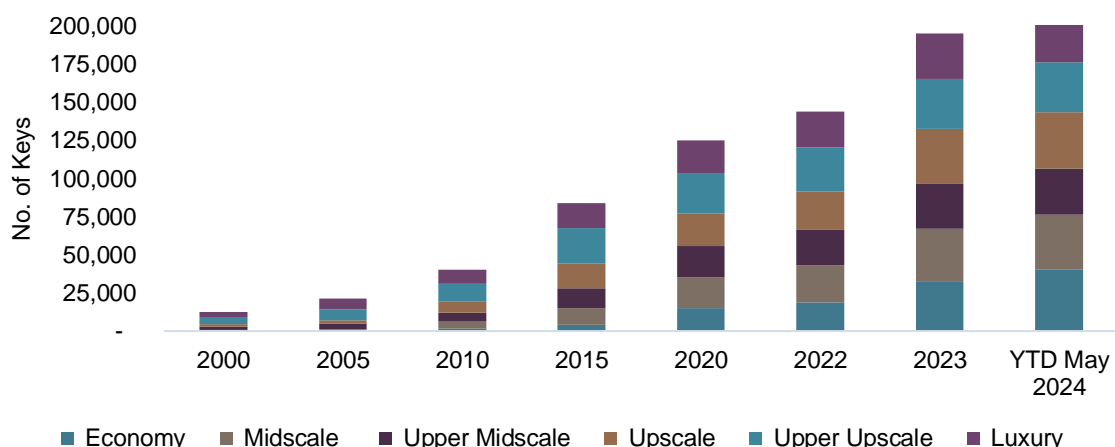
Source: JLL H&HG

Since the onset of the new millennium, the total branded inventory in India has grown by almost 16x as of 31st May 2024. While the absolute key count for each segment has only increased, the graph and table below outline the evolution of the segment composition over the years.

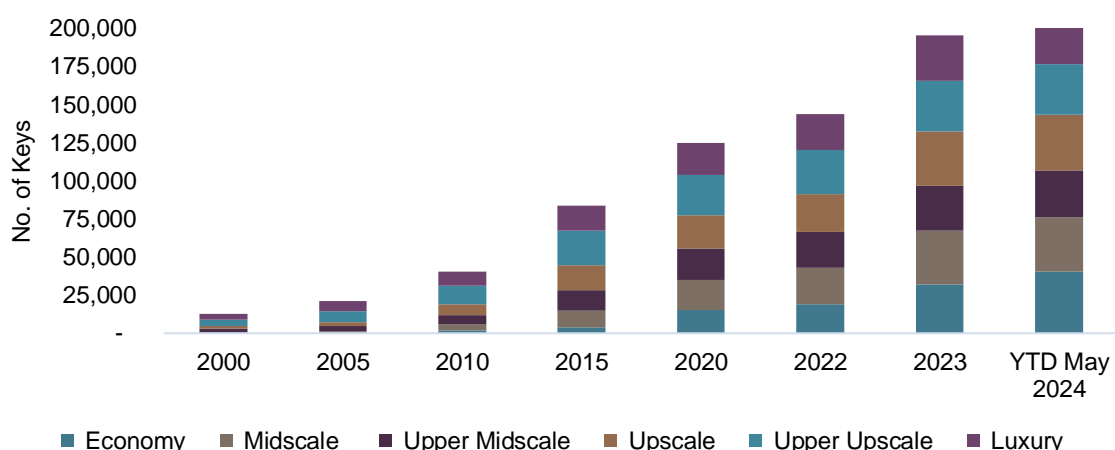
In 2000, over 60% of the total inventory was concentrated in the Luxury and Upper Upscale segments. Over the last 12+ years, that ratio has changed significantly with the Luxury segment accounting for the smallest share of the total branded inventory and the Economy scale accounting for the largest. This change in composition can be attributed to significant economic growth over the last two decades along with enhanced connectivity as well as significant growth in the corporate, industrial and manufacturing sectors which demand more room supply in the Economy, Midscale and Upscale categories.

The table below highlights the segment-wise growth across intervals for branded inventory in India. As seen in table, the Economy and Midscale segments had a negligible presence in 2000 with majority inventory in the Upper Upscale segment. Since 2010, the Economy and Midscale segments began to emerge and steadily grew to account for 37% of the total branded inventory share in India as of 31st May 2024.

Historic Inventory Growth in India



Historic Inventory Growth in India



Source: JLL H&HG

Inventory Composition Evolution in India					
Year (CY)	2000	2010	2020	2023	YTD May 2024
Economy	2%	4%	12%	16%	19%
Midscale	3%	11%	16%	18%	17%
Upper Midscale	18%	14%	16%	15%	15%
Upscale	14%	18%	17%	18%	18%
Upper Upscale	32%	30%	21%	17%	16%
Luxury	31%	23%	17%	15%	15%

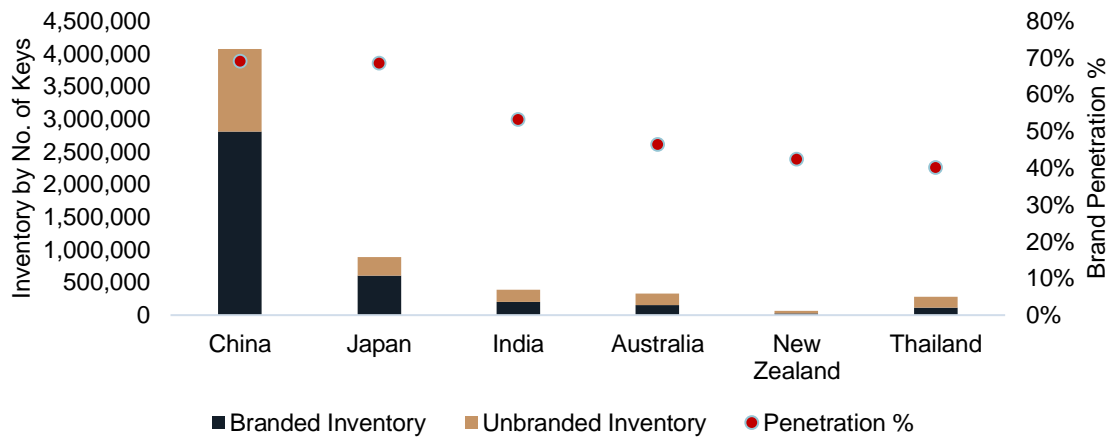
Source: JLL H&HG

While disposable incomes have increased over the years and guests are willing to pay premiums for distinguished service and experiences, developments in the Luxury and Upper Upscale segments, especially greenfield projects, are being rationalized considering high development and operating costs as well as a longer gestation period. Moreover, as the economic landscape of India evolves with a rising number of industrial towns and SME and MSME markets, the Indian hospitality industry is gearing up to capitalize on the existing and latent demand in these markets by expanding their Economy and Midscale offerings.

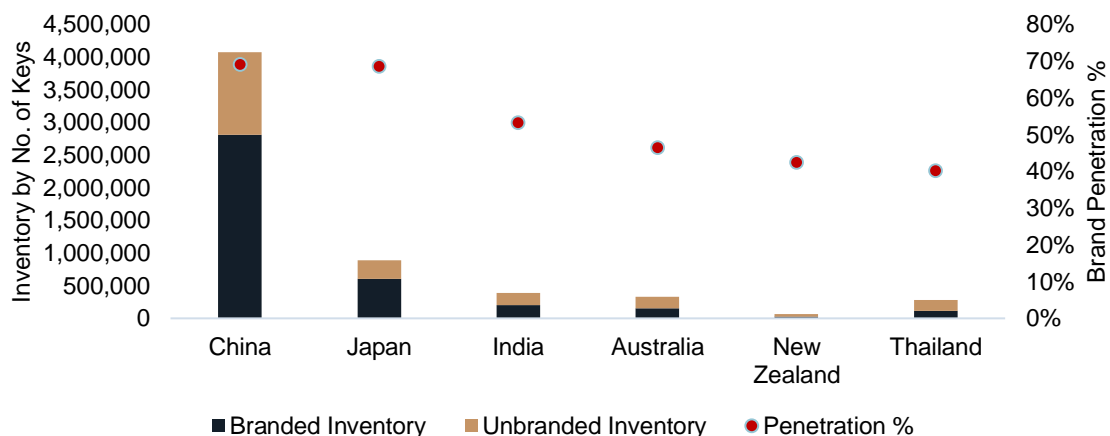
Brand Penetration Overview

As of 31st May 2024, brand penetration in India stands at 53% which is lower than developed markets such as Japan and China but is on par with Australia. It is also the country's highest penetration in the last decade and yet is considerably lower than other noteworthy global markets.

Brand Penetration Comparison - India versus Key APAC Countries as of 31st May 2024

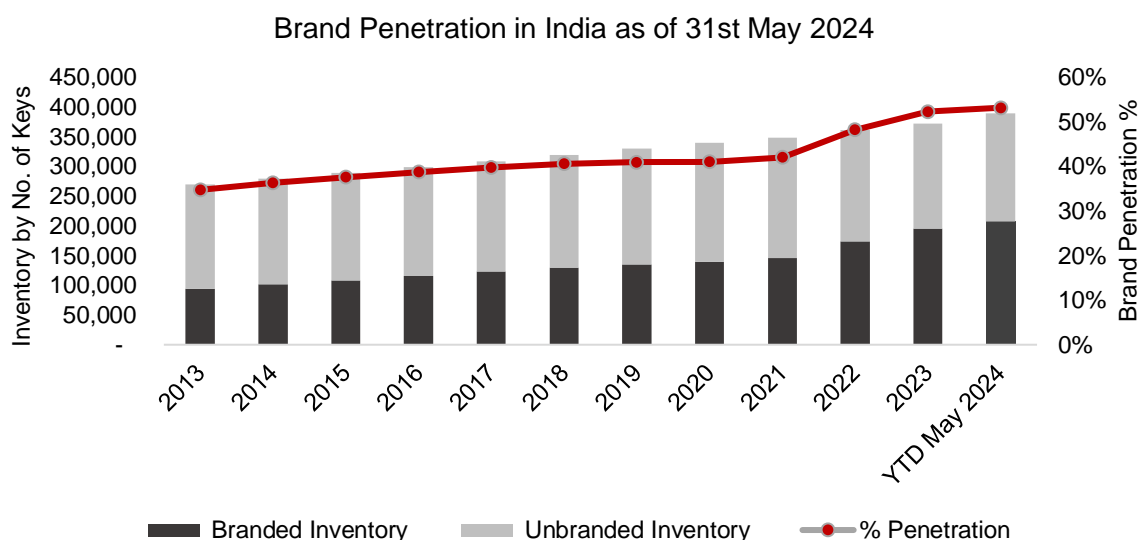


Brand Penetration Comparison - India versus Key APAC Countries as of 31st May 2024



Source: JLL H&HG

Brand penetration in India has been on an upward trajectory for the last decade and has witnessed a jump in the last two years. This can be attributed to the completion of projects which had been halted in 2020 and 2021 as well as the conversion of several existing hotels. The pandemic nudged several owners to evaluate partnerships with hotel operators as sustaining operations was challenging during and after 2 years of disrupted revenues. Hotel operators also benefitted from this opportunity which allowed them to explore the conversion route to expand their footprint in various destinations.



Source: JLL H&HG

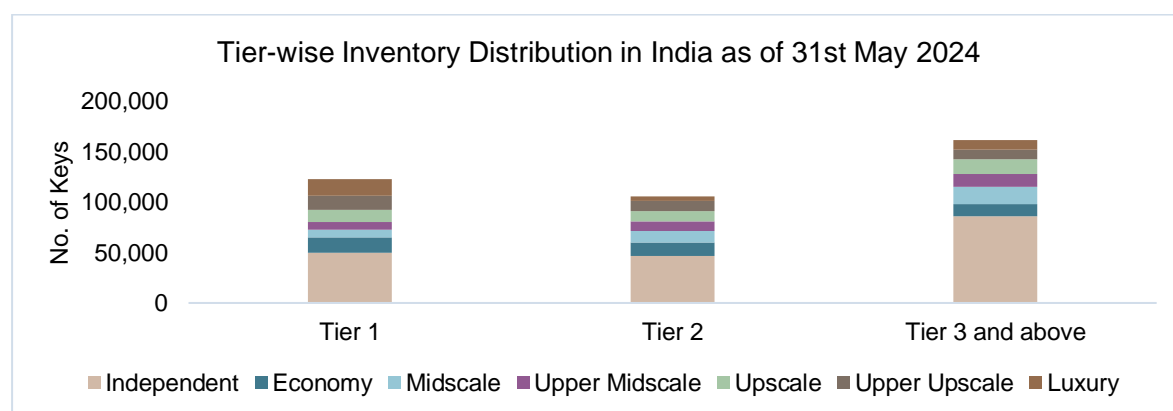
Several global and Indian hotel operators have also launched sub-brands with the clear focus of acquiring well performing, quality independently operating inventory within key destinations towards swiftly building a robust pipeline.

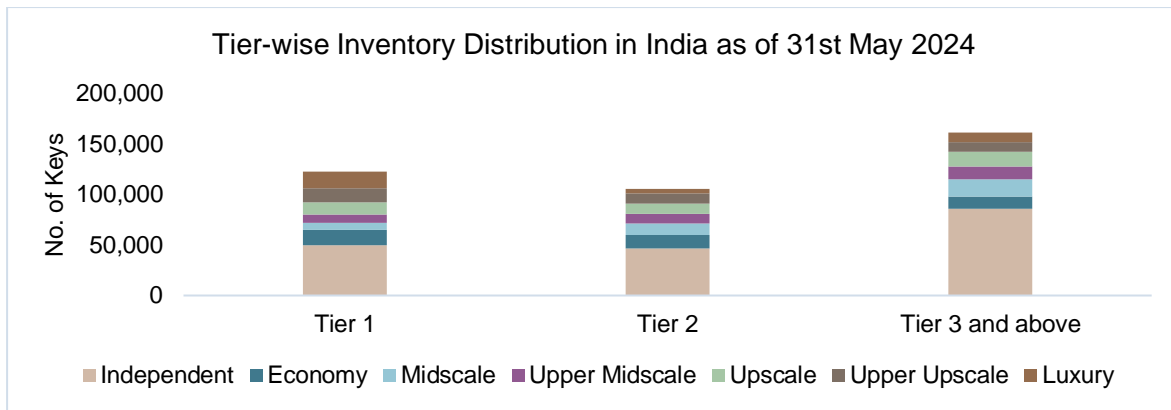
India's hotel industry is slowly opening up to the franchise model as the market showcases maturity along with improvement of owner credentials in managing hotels and brand expectations. This will be beneficial for small and independent hotel owners to keep pace with the competitive environment through increased visibility, customer's trust of brand authenticity, and the support of an extensive marketing network.

Inventory Overview by Tier

A large share of the total hotel room supply in India lies in the unbranded and independently owned segment. Accounting for close to 50% of the total inventory in India, the independent segment is vastly distributed across various geographies in the country. As seen in the graph below, tier 3 and above cities in India comprise the largest volume of the total hotel inventory in India with the largest share of unbranded inventory accumulated across tier 3 locations followed by tier 1.

Suba Hotels Limited (SHL) is one of India's largest domestic hotel chains in the mid-market sector with 79 operational hotels as of July 2024, comprising 3,744 keys across 51 cities, majority of which are located in emerging markets in tier 2 and 3 cities. Their operating inventory includes owned, managed, leased, and franchised hotels.

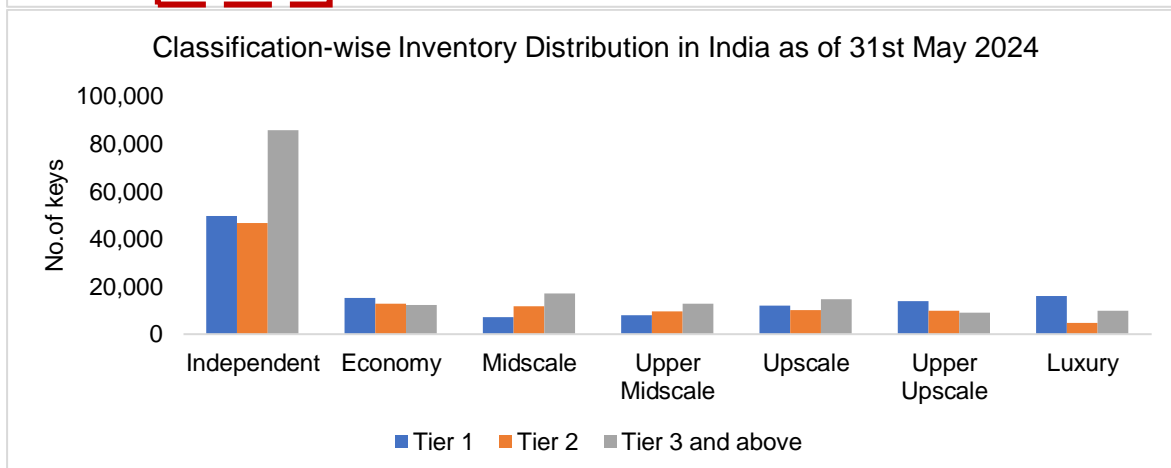
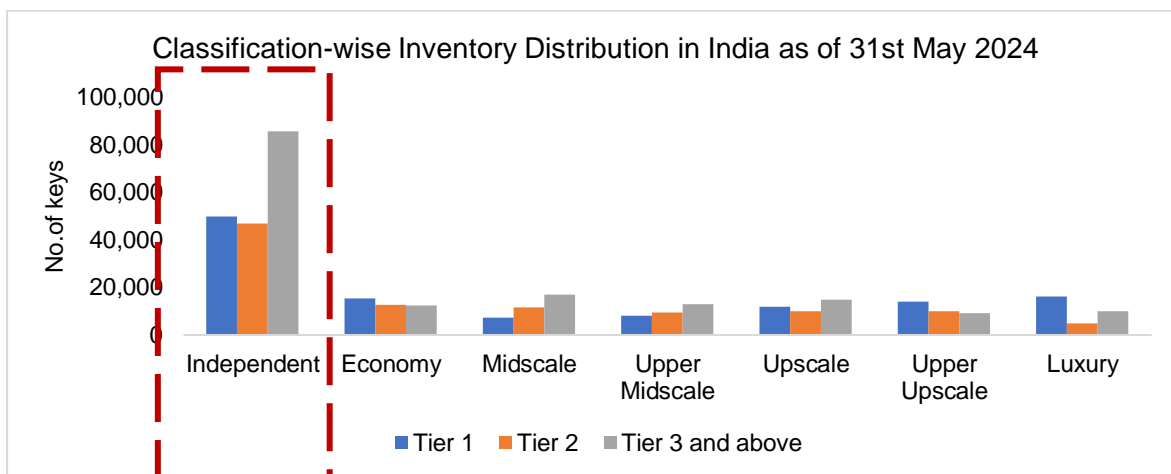




Source: JLL H&HG

With approximately ~19,000 keys in the independent hotel supply in the year 2000 in India, the supply grew to nearly ~182,000 as of 31st May 2024. Approximately 27% of this total as of 31st May 2024 lies in tier 1 cities, followed by 26% in tier 2 cities while the largest share of 47% lies in tier 3 and other categories.

Historically, independent hotels typically catered only to local demand emerging from the destination, primarily in the form of weddings and other social functions. However, with the rise of industrialization, enhanced connectivity and domestic tourism demand, several lower tier destinations are witnessing increased demand for hotel rooms.



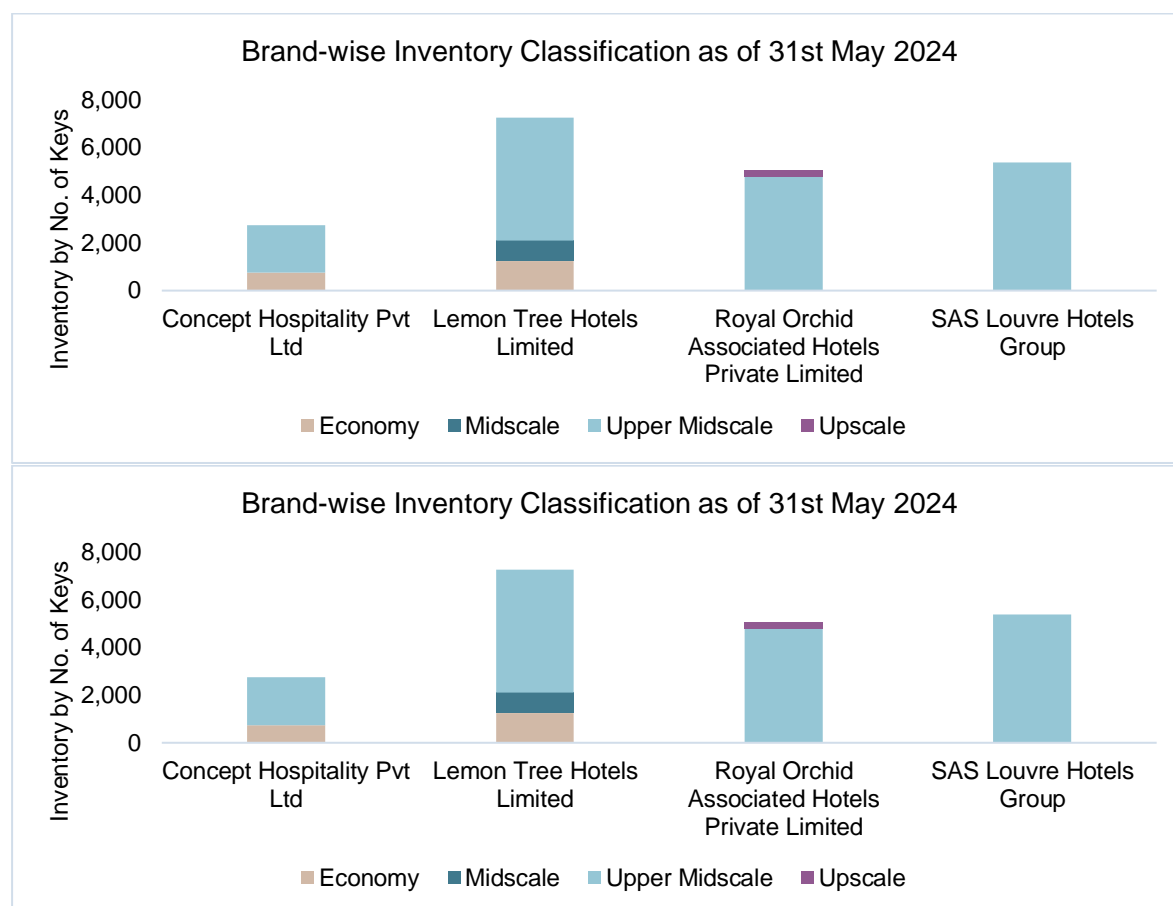
Source: JLL H&HG

The strong revival of the hotel industry in the recent past has also resulted in an increased number of independent guesthouses and homestays across the leisure segment, primarily within driving distances of prominent towns and metro cities. This segment of lodging gained prominence during the initial lockdowns when intra-state travel was

the only permissible option and has sustained that momentum with remote working still an option for many.

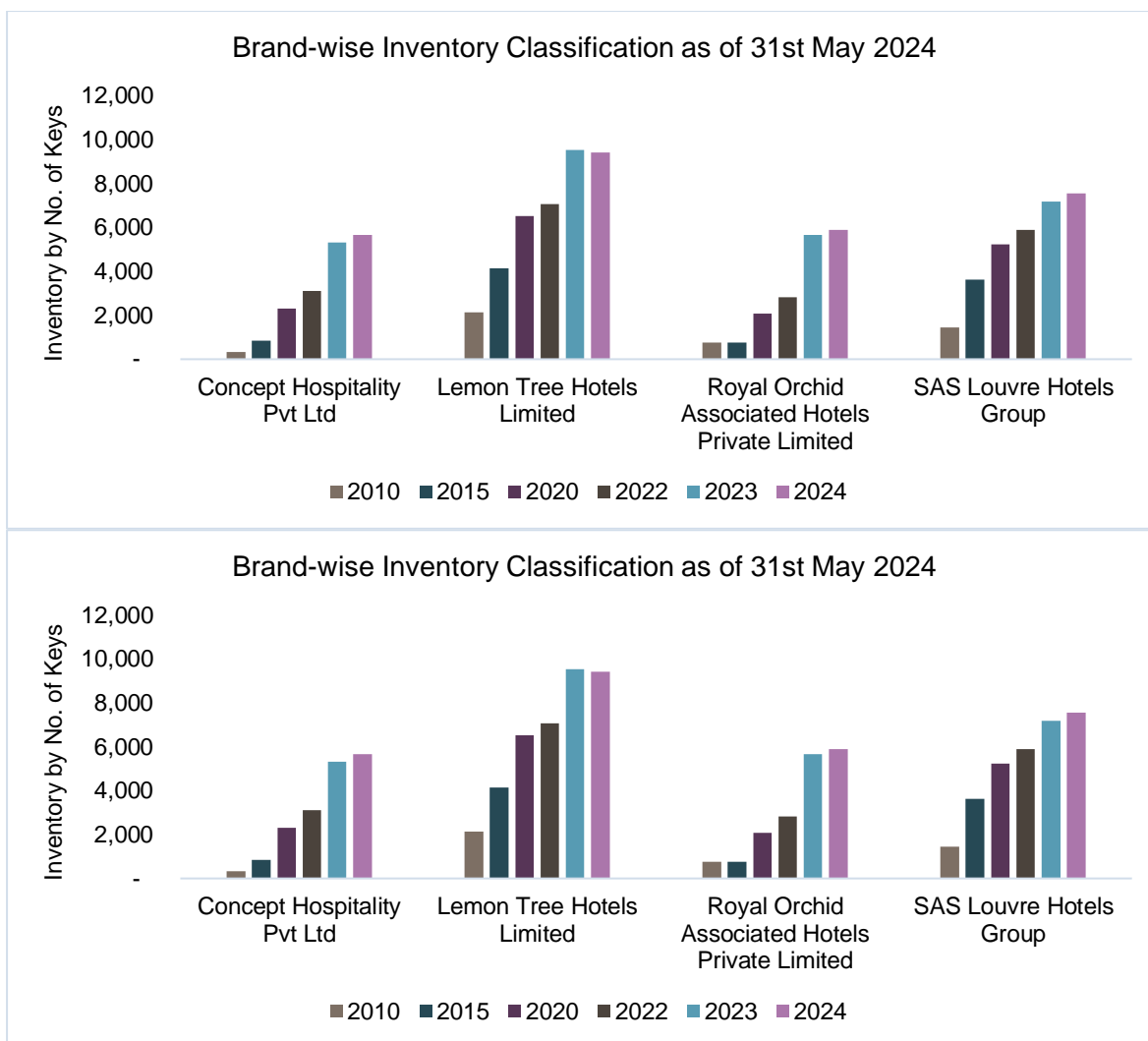
Hotel Brands by Operating Inventory

The top 10 hotel operating brands in India operate over 129,000 keys of the total branded inventory as of 31st May 2024. Key operators in the Economy to Upscale segment in India include Lemon Tree Hotels, Louvre Hotels Group, Royal Orchid Hotels and Concept Hospitality (The Fern Hotels & Resorts).



Source: JLL H&HG

These brands witnessed tremendous growth over the last two decades and have rapidly expanded their footprint via a variety of operating formats across various locations. Collectively, these brands account for approximately 20% of the total branded supply in India in the Economy to Upscale segment as of 31st May 2024.



Source: JLL H&HG

Suba Hotels Limited (SHL) is also one of India's leading domestic hotel chains in the midscale sector with an operating inventory of 3,744 keys and 1,661 keys in the active pipeline as of July 2024.

With close to 70% of their total keys located beyond tier 1 cities, the above mentioned companies have been instrumental in exploring newer markets through their variety of Economy to Midscale / Upscale brands which are well positioned to penetrate the market at the appropriate price point and lower operational costs.

With over 4,000 keys currently in the pipeline, Lemon Tree Hotels currently has the largest inventory in the Economy to Upscale segments with close to 10,000 operating keys across 100+ destinations under its various brands including Aurika, Lemon Tree Premier, Lemon Tree, Red Fox by Lemon tree and Keys by Lemon Tree. While several brands have shifted to a predominantly asset light model, Lemon Tree's portfolio comprises a mix of owned and leased assets which account for 58% of their portfolio and managed and franchised hotels which comprise 42% of the total portfolio.

The Louvre Hotels Group acquired a partial stake in Sarovar Hotels & Resorts in 2017 and their combined presence in India currently comprises approximately 7,500 keys. With a strong presence in Europe, Louvre's investment in Sarovar was motivated by the group's strategic vision to penetrate the Indian market beyond mainstream destinations with a regionally established brand. Louvre currently has an active pipeline of almost 1,000 keys across over 67 destinations and comprises the Sarovar Premiere, Sarovar Portico, Hometel, Golden Tulip, Royal Tulip, Kyriad and Kyriad Prestige brands.

Royal Orchid & Regenta Hotels currently operates almost 6,000 keys across 65 destinations under its various brands including Royal Orchid, Royal Orchid Central, Regenta Central and Regenta Inn. The Group primarily operates on an asset-light model with over 79% properties under management contracts/franchise and

approximately 2,000 keys in the pipeline currently.

Concept Hospitality is one of India's fastest growing hotel operators and currently has a presence of over 6,000 keys across 85 destinations. With over 350 keys in the pipeline, the portfolio comprises 6 brands including The Fern Hotels & Resorts, Zinc by the Fern, Zinc Journey by the Fern, The Fern Residency, The Fern Habitat and Beacon Hotels.

Industry Performance Overview

With developers taking a more cautious approach to greenfield projects and applying a renewed focus on repositioning, rebranding, mergers and joint ventures, the industry is inching towards a more financially and environmentally sustainable sector with a strong base and a leaner pipeline which enhances the opportunity to increase average room rates on the back of steady occupancy levels.

The first quarter of 2023 showcased a healthy performance across segments in India, displaying a strong recovery across several key markets outperforming pre-Covid levels. In Q2, India's hospitality industry witnessed a growth of 15.4% in RevPAR over the same period last year. The sector also witnessed a 16.6% decline at pan-India level in RevPAR in Q2 2023, compared to Q1 2023 due to a dip in travel during the summer period. However, India's G20 presidency also provided a significant boost to the hospitality and Meetings, Incentives, Conferences and Exhibitions (MICE) demand leading to strong demand and higher room rates. This opportunity benefited several metro markets and key leisure destinations. Overall, in H1 2023, the Indian hospitality sector witnessed growth in occupancy, ADRs and RevPARs as compared to the same period last year.

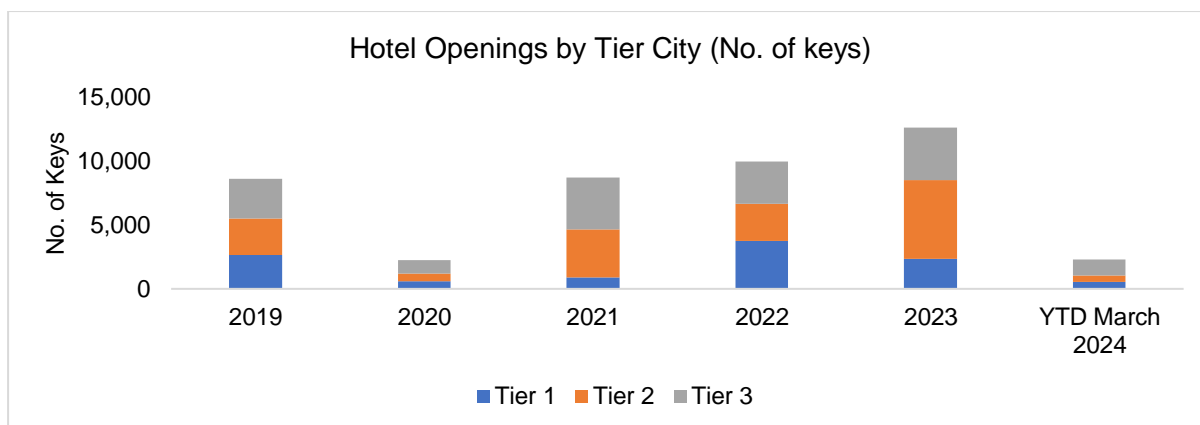
In Q3 2023, the sector further witnessed year-on-year growth in performance primarily driven by a significant increase in Average Daily Rate (ADR) across the country. The industry benefited from the development of business districts, hospitality-focused airport districts, and government initiatives such as simplified e-visa regulations. The resumption of corporate travel, festivals, and MICE events has also contributed to the sector's growth. The fourth quarter saw a similar growth in ADR due to factors such as weddings, corporate and social MICE events, leisure travel, and year-end festivities.

In the first quarter of 2024, the hospitality industry experienced ongoing growth propelled by a notable 8.5% increase in the Average Daily Rate (ADR). As a result, the Revenue per Available Room (RevPAR) grew by 11.4%. This growth was primarily driven by factors such as increased corporate travel, a rise in wedding ceremonies, and increased demand for Meetings, Incentives, Conferences, and Exhibitions (MICE) at the end of the financial year 2024.

In the medium term, India's room night demand is projected to outpace room supply, with maturity reached in tier 1 markets and ongoing potential in tier 2 and 3 cities. Improved tourism and connectivity infrastructure will only continue to drive sustainable sources of demand, such as MICE events, social gatherings, and leisure activities. Over the last two years, hotel operators have also leveraged their scale to rationalise costs and efficiencies, making them relatively more resilient to changing market conditions and resulting in higher profitability. The coming together of the industry to grow rates while rewriting prevalent practices over the last 2 years resulted in reduced overheads and higher profitability with leaner operating structures.

Hospitality Sector Outlook

India has witnessed a surge in branded hotel openings over the past five years, with CY 2023 marking a record-breaking year of over 12,630+ keys. Of this, 2,300+ keys lie in tier 1 cities with approximately 6,100+ keys in tier 2 cities and the balance 4,100+ keys in tier 3 cities and beyond. As of Q1 2024, ~560 keys opened in tier 1 cities, ~500 keys in tier 2 cities, and 1,250+ keys in tier 3 cities and beyond.



Source: JLL H&HG

In the same year, India recorded the signing of approximately 25,170+ keys of which 20,870+ keys lie across tier 2 and tier 3 cities. While tier 2 cities account for about 13,600+ keys, tier 3 cities are expected to welcome over 7,260 keys. As of Q1 2024, tier 1 cities witnessed the signing of 1,330+ keys, while tier 2 cities recorded the signing of 5,400+ keys, and tier 3 cities and above noted 2,960+ keys.



Source: JLL H&HG

Of the total signings recorded in 2023, over 16% i.e., 4,000 keys were conversions.

Based on the recorded signings for the CY 2023 period, tier 2 and 3 cities are scheduled to welcome the largest volume of inventory with 83% of the total recorded signings as compared to tier 1 cities. This statistic manifests a much-needed shift in focus beyond concentrated metro markets and marks the inclusion of more destinations on the travel and tourism map. Government initiatives such as the Smart Cities Mission have also generated traction in upcoming destinations such as Dharamshala, Guwahati, Bhubaneswar, Trivandrum, etc. Several cities on this list are growing on account of improved connectivity via infrastructure development combined with the growth in industries such as IT and manufacturing.

In 2014, India had approximately 75 operational airports and by 2022, this number has almost doubled, resulting in 140 operational airports. There has been a keen push from the government to take this number up to 220 airports over the next 5 years.

Given these initiatives, improved connectivity, and lower barriers to entry than tier 1 cities, hotel operators are now widening their expansion strategies to establish presence in more destinations across the country. As urban consumption centres grapple with rising traffic and population density along with high barriers to entry and operating costs, hotel operating brands have expanded their growth strategy to acquire well performing independent assets across destinations.

By sheer volume and footprint, brands offer a larger banner effect, a deeper understanding of the business and wider reach via stronger distribution – which in most cases is an uphill battle for independent hotel owners in uncertain times and makes partnership a prudent option for business continuation.

As cities continue to grow and infrastructure development booms across the country, there has been an increase in demand and supply for quality hotel rooms across established and upcoming destinations. The expansion and success witnessed by several hotel operators in the recent past is testimony to how the Indian hospitality market harnesses its latent demand which invariably catches up with the supply.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read 'Forward-Looking Statements' on page 24 for a discussion of the risks and uncertainties related to those statements. You should also read 'Risk Factors', 'Restated Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 33, 210 and 244, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see 'Financial Statements' on page 210. The manner in which operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and, used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.

The industry-related information contained in this section is derived from a report titled "India Hospitality Industry overview" dated July 2024, prepared by Jones-Lang LaSalle Property Consultants (India) Private Limited ("JLL"), which has been exclusively commissioned and paid for by our Company in connection with the Issue (the "JLL Report"), pursuant to a letter agreement dated August 22, 2023. A copy of the JLL Report will be made available on the website of our Company at www.subahotels.com from the date of the filing of the Draft Red Herring Prospectus until the Issue Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the JLL Report and included herein with respect to any particular year, refers to such information for the relevant Financial Year. The information included in this section includes excerpts from the JLL Report and may have been re-ordered by us for the purposes of presentation

Overview

We are one of India's largest domestic hotel chains in the mid-market sector with 79 operational hotels as of July 2024, comprising 3,744 keys across 51 cities, majority of which are located in emerging markets in tier 2 and 3 cities. We also have a portfolio of 35 hotels in the pre-opening phase, encompassing 1,661 rooms (*Source: JLL Report*). We operate in the mid-market hotel sector, consisting of upscale, upper-midscale, midscale, and economy brands domestic as well as international. We primarily cater to guests across business, leisure, and religious tourism, delivering superior service standards at attractive price points. Our hotel portfolio encompasses a diverse range of business models, including owned, managed, revenue share & lease, and franchised properties. We currently categorize our hotel portfolio into four distinct hotels categories based on business models that includes owned, managed, revenue share & lease and franchised hotels

In the first quarter of 2024, the hospitality industry experienced ongoing growth propelled by a notable 8.5% increase in the Average Daily Rate (ADR). As a result, the Revenue per Available Room (RevPAR) grew by 11.4%. This growth was primarily driven by factors such as increased corporate travel, a rise in wedding ceremonies, and increased demand for Meetings, Incentives, Conferences, and Exhibitions (MICE) at the end of the financial year 2024 (*Source: JLL Report*).

Over the last two years, hotel operators have also leveraged their scale to rationalize costs and efficiencies, making them relatively more resilient to changing market conditions and resulting in higher profitability. The coming together of the industry to grow rates while rewriting prevalent practices over the last 2 years resulted in reduced overheads and higher profitability with leaner operating structures (*Source: JLL Report*).

Our diverse range of hotel categories such as owned, managed, revenue share & lease and franchised hotels and extensive portfolio of domestic and international brands are strategically designed to cater to various market segments. Positioned in prime locations and competitively priced, we offer exceptional value, which has driven our rapid expansion into markets traditionally underserved by chain-affiliated hotels. As of July 31, 2024, our portfolio of operating hotels consists of 5 owned hotels consisting of 227 rooms, 13 managed hotels consisting of

551 rooms, 14 hotels on revenue share & lease basis consisting of 529 rooms and 47 franchised hotels consisting of 2,437 rooms.

We have been promoted by Mansur Mehta and Mubeen Mehta. Mansur Mehta is an experienced professional in the hospitality industry with a career spanning approximately three decades. He began his journey by developing the first hotel, The Suba Palace, in Colaba, Mumbai in 1994. Mubeen Mehta is a visionary hotelier and entrepreneur who has seamlessly blended tradition with modernity to create a distinctive presence in the hospitality industry. His forward-thinking approach shines through in his use of cutting-edge technology and digital solutions to elevate guest experiences and optimize operations, all while upholding the core values of integrity, trust, and service. Mansur Mehta together with his son Mubeen Mehta have demonstrated their vision and capability by growing their operations organically and through strategic acquisitions and integrations. They have also acquired and integrated hotels like '1589 Hotels' and became the master franchisee of Choice Hotels in 2022 for their brands Clarion, Quality & Comfort. Mansur Mehta and Mubeen Mehta's ability to adapt to changing circumstances and their pursuit of progress and growth have contributed to the success of each venture they undertake.

Scheme of Amalgamation

Scheme of Amalgamation and Demerger of Zircon Hotels Private Limited ("Transferor I"), Zircon Hospitality Private Limited ("Transferor II"), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite ("Demerged Entity") of Suba Palace Private Limited ("Transferor III") with Hotel Suba Star Private Limited ("Transferee") ("Scheme")

Pursuant to an order dated March 15, 2023, the National Company Law Tribunal, Ahmedabad sanctioned a scheme of amalgamation under Sections 230 to 232 of the Companies Act 2013, whereby Transferor I, Transferor II, and the Demerged Entity amalgamated with our Company. The appointed date for the merger was October 31, 2020. Upon implementation of the Scheme, the entire undertaking of Transferor I, Transferor II, including all property, liabilities, duties and rights were transferred to and vested in the Transferee. Pursuant to the Scheme, every shareholder of Transferor I will be allotted 119 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor I. Similarly, every shareholder of Transferor II will be allotted 58 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor II. Further, The Demerged Entity shall stand demerged from the Transferor III and shall be transferred to the Transferee on a going concern basis.

We are present in upscale, upper-midscale, midscale, and economy brands. These hotel segments vary based on business models that includes owned, managed, revenue share & lease and franchised hotels, as demonstrated below:

Particulars	Owned	Managed	Revenue share & lease	Franchised	Total
No. of Hotels (Operational) ⁽¹⁾	5	13	14	47	79
No. of Hotels (Executed Agreements) ⁽²⁾	-	8	10	17	35
No. of Keys (Operational) ⁽³⁾	227	551	529	2,437	3,744
No. of Keys (Executed Agreements) ⁽⁴⁾	-	324	417	920	1,661

Notes:

(1) No. of hotels operational hotels means hotel generating revenue

(2) No of hotels (executed agreements) means agreements executed but revenue yet to be generated

(3) No. of keys Operational – means number of rooms available for service in our operational hotels

(4) No. of keys (executed agreements) - means number of rooms available for service in our pre-opening hotels

The table below set forth certain financial indicators for the period indicated:

(₹ in lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations (₹ in lakhs) ⁽¹⁾	5,227.65	3,503.30	2,017.70
Revenue from operations growth (%)	49.22%	73.63%	-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings before interest, depreciation, tax & amortization (EBIDTA) (₹ in lakhs)	1,387.18	874.69	408.27
EBIDTA growth (%)	58.59%	114.24%	-
EBIDTA margin (%) ⁽²⁾	26.18%	24.85%	20.17%
Profit after tax (PAT) (₹ in lakhs)	895.87	278.32	142.76
PAT growth (%)	221.88%	94.96%	-
PAT margin (%) ⁽³⁾	16.90%	7.91%	7.05%
Debt to Equity Ratio ⁽⁴⁾	1.41	1.96	2.03
Return on Equity (RoE) (%) ⁽⁵⁾	27.71%	11.86%	6.90%
Return on Capital Employed (RoCE) ⁽⁶⁾	26.80%	22.37%	5.28%

Notes

- (1) Revenue from operations means the revenue from operations as appearing in the Restated Consolidated Financial Statements.
- (2) EBIDTA margin refers to EBIDTA during a given period as a percentage of total revenue during that period.
- (3) PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by total revenue.
- (4) Debt to Equity ratio is calculated by dividing the total debt by total equity.
- (5) Return on equity (RoE) is equal to profit for the year divided by the total equity and is expressed as a percentage.
- (6) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus long-term Debt.

Business Operations



Owned hotel

As of July 31, 2024, our portfolio consists of 5 hotels comprising of 227 keys which are owned, built, and operated by us. These hotels are situated in key cities such as Ahmedabad, Bhuj, Junagadh, Vadodara in the state of Gujarat and Pithampur in the state of Madhya Pradesh. Ahmedabad and Vadodara hotel premises are located on freehold land owned by us and Bhuj, Junagadh and Pithampur are on long term lease. The advantages of building the hotels we operate are seen in the quick turnaround time taken from inception to materialization of these projects. As the sole decision-making entity, it allows us to swiftly reach our targets without any compromises on the attributes which matter to us.

We have achieved the lowest gestation period, quicker turnaround from bare shell to completion and groundbreaking to opening of hotels in lowest possible period which is shown in the hotels built by us. We have

built 40 rooms at the Bhuj hotel in 8 months, 48 rooms at the Junagadh hotel in 12 months, 50 rooms at the Vadodara hotel in 6 months and 65 rooms at the Pithampur hotel in 14 months.

- **Managed**

As of July 31, 2024, we manage 13 hotels, that are managed through hotel operating agreements which are executed between our Company and the owner of the hotel. In addition to 13 operational hotels, we have executed agreements for another 8 hotels. These arrangements provide our Company with operational flexibility in hotel operations. We are responsible for determining the price and rate schedules for rooms and other services at the managed hotel, to ensure the smooth functioning of the hotel, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing (both, online and offline), sales, revenue management, reservations, and advertising. We are also responsible for the HR policies at the hotel including selection, recruitment, training of personnel together with determining their remuneration. As a part of the agreements, we permit the owner of the hotel to use any one of our brand for the duration of the validity of the hotel operation agreements. These agreements typically have an initial term of five to fifteen years and provide for a fee structure payable to us as a fixed percentage of the gross revenue of the hotel and an incentive fee being a variable percentage linked to the gross operating profit of the hotel. Upon expiry of the initial term, these agreements are renewable, subject to mutual agreement of terms and conditions between our company and the owner. We maintain the right to terminate the contract in cases where upkeep of the hotel has been compromised and does not meet the brand standards and operating requirements.

- **Revenue share & lease**

Revenue share hotel agreements are a type of partnership between hotel owners and our company that allows for the sharing of revenue generated by the property. In this arrangement, our company typically assumes responsibility for managing and operating the hotel, while the owner receives a percentage of the generated revenue. This model is attractive to both parties as it allows the owner to share in the financial success of the hotel without having to take on the day-to-day responsibilities of management. Revenue share hotel agreements provide a win-win solution, fostering collaboration and maximizing profitability for all stakeholders involved

In the case of lease model our company offers fixed lease amount to owner which assures the fixed stream of revenue to the owner at the same time our company enjoys the effect of leverage which is beneficial to our company. This is one of the preferred revenue models considering the following:

- Benefits to hotel owners
 - Predictable Income Stream: A fixed lease amount provides a stable and reliable revenue source, irrespective of the hotel's operational performance.
 - Reduced Operational Risk: Hotel owners are shielded from the day-to-day challenges of hotel management, such as staffing, marketing, and revenue fluctuations.
 - Asset Appreciation: In favorable market conditions, the value of the hotel property may increase, benefiting the hotel owner.
- Benefits to our Company
 - Leverage Effect: Increased revenue translates directly into higher profitability without corresponding increases in fixed costs. This can significantly improve EBITDA margins.
 - Operational Flexibility: Our company has full control over the hotel's operations, enabling them to implement strategies to maximize revenue and efficiency.
 - Rapid Expansion: The lease model allows for rapid expansion without significant capital investment, enabling our company to increase market share.

As of July 31, 2024, we have 24 hotels Revenue share- lease hotels, 14 are operational hotels and we have executed agreements for another 10 hotels. A typical term for these contracts are upto twenty years and are generally renewable upon expiry, subject to agreement on the terms and conditions with the owner of the hotel.

- **Franchised**

Our company acquired the master franchise rights on May 13, 2022, from Choice Hotels Licensing B.V. for their three brands in India - Clarion (upscale), Quality (upper midscale) and Comfort (midscale) for a period of fifteen years with an option to extend mutually for a period of five years. Pursuant to the master franchisee agreement, our company is entitled to receive signing fees and franchise fee that is a fixed percentage of the gross room

revenue from the franchisee hotel which we have to share with Choice Hotels Licensing B.V. as per agreed terms. As on July 31, 2024, we operate 47 hotels consisting of 2,437 keys under this arrangement.

Hotel Photos

Click Pithampur – Owned Property



Clarion Dehradun – Managed Property



Click Bangalore – Revenue share-Lease



Statue of Unity – Franchise Property



Competitive Strengths

1. One of India's leading domestic hotel chains in the mid-scale sector with a differentiated business model

According to JLL Report, we are one of India's leading domestic hotel chains in the mid-scale sector with an operating inventory of 3,744 keys and 1,661 keys in the active pipeline as of July 2024. We are present in upscale, upper-midscale, midscale, and economy brands. These hotel segments vary based on business models that includes owned, managed, revenue share & lease and franchised hotels. We cater to both domestic and international travelers across business, leisure, and religious tourism segments, delivering superior service standards at attractive price points. As of July 31, 2024, our portfolio of operating hotels consists of 5 owned hotels consisting of 227 rooms, 13 managed hotels consisting of 551 rooms, 14 hotels on revenue share & lease basis consisting of 529 rooms and 47 franchised hotels consisting of 2,437 rooms.

Being one of the India's leading domestic hotel chain in the mid-scale hotel sector, we believe we command a significant market presence. Also, we offer a wide range of hotel categories and brands, catering to various customer segments and preferences. Further, our reliance on managed, revenue share & lease, and franchised hotels allows us to reduce capital expenditures and increase profitability. Our company's ability to form strategic partnerships with hotel owners and operators enables us to expand our reach and gain market share without significant capital investment. Further, our focus on business, leisure, and religious tourism segments provides a diversified revenue base and helps mitigate risks associated with fluctuations in any single market. We believe, our company's market position, differentiated business model, and our focus on operational efficiency and growth make us well-positioned to continue our success in the highly competitive Indian hotel market.

2. Wide geographical coverage

According to the JLL Report, a large share of the total hotel room supply in India lies in the unbranded and independently owned segment. Accounting for close to 50% of the total inventory in India, the independent segment is vastly distributed across various geographies in the country. Tier 3 and above cities in India comprise the largest volume of the total hotel inventory in India with the largest share of unbranded inventory accumulated across tier 3 locations followed by tier 1.

The hotel room pipeline from CY 2024 to CY 2027 is expected to grow at a CAGR of 3.5%. In Q1 2024 (January to March), hotel signings in tier 2 & 3 cities witnessed the addition of over 8,300 keys, of which ~52% of the total number of keys are expected to open by 2026 and 2027 (Source: JLL Report).

As of 31st May 2024, 50% of the country's branded supply lies in the Midscale to Upscale segments. Individually, the Economy and Upscale segments comprise the largest share i.e., 19% and 18% each of the total branded inventory in India with a strong and growing presence across all Indian cities, especially in Tier 3 markets (Source: JLL Report).

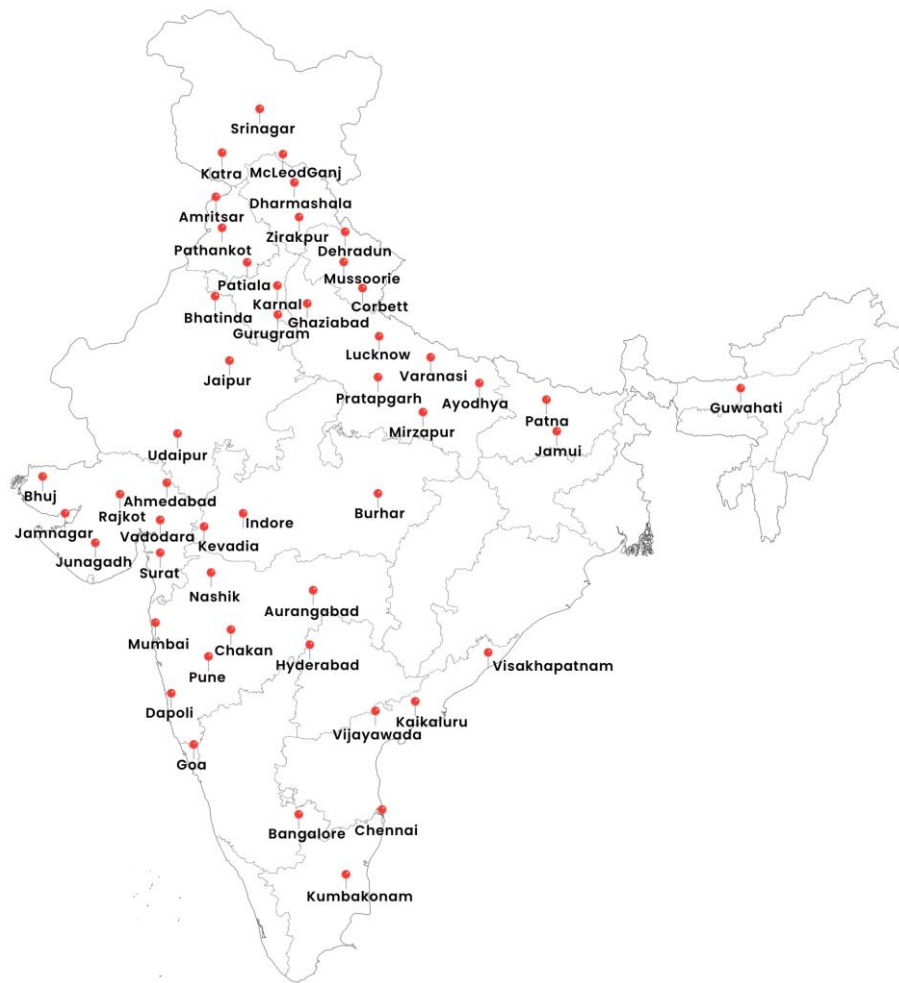
As per JLL report, 65% of our properties are situated in destinations previously untapped thus demonstrating our brand's expansive growth. Below is the bifurcation of our hotel inventory in terms of destinations

Destination	Tier I	Tier II & III	Leisure & Resorts	Religious
Place	Ahmedabad Bengaluru Chennai	Aurangabad Bhatinda Bhuj	Corbett Dapoli Dharamshala	Amritsar Ayodhya Jamui

Destination	Tier I	Tier II & III	Leisure & Resorts	Religious
	Hyderabad Mumbai Pune	Burhar Dehradun Ghaziabad Gurgaon Guwahati Indore Jaipur Jamnagar Junagadh Karnal Lucknow McLeodganj Mirzapur Pathankot Patiala Patna Pratapgarh Rajkot Surat Vadodara Vijayawada Vishakhapatnam Zirakpur	Goa Kevadia Mussorie Srinagar Udaipur	Katra Kumbakonam Kaikaluru Nashik Varanasi

Our hotels are strategically located in close proximity to central and secondary business districts, SEZs, industrial centers, airports, ports, railway terminus and other demand drivers. Operating in various regions allows our company to tap into different markets, reducing reliance on any single market. Further, different regions have different seasonal patterns, ultimately helping us to balance revenue fluctuations throughout the year. Also, a broader presence increases our brand awareness and visibility, thereby attracting more customers.

OUR PRESENCE IN INDIA



3. Established distribution network

We have an established sales and marketing network which operates out of our hotels located in North, South, and West India. Our dedicated team of 30 sales executives operates from these locations, supported by additional sales teams as and when required. This allows us to enhance our sales strategy and effectively cross-sell hotels within our portfolio. Our sales team network drives our presence across market segments, attracting corporate travellers from sectors such as BFSI, IT/ITES, FMCG, Pharmaceutical, and PSUs. We have pan India contract with major financial institutions of India. We are a preferred partner with major travel agencies having widespread presence across India and outside India. Our presence in various trade fairs (e.g. TTF, OTM, SATTHE etc.) help us to strengthen our brand presence across India.

In addition to our offline sales network, we have an online distribution presence as well. Our brand website, 'www.subahotels.com,' plays a significant role in driving bookings for our hotels. We are actively working towards increasing direct bookings through our hotel websites by investing in digital marketing, customise mobile app, SEO along with initiatives and launching our own loyalty program.

To further strengthen our online presence, we collaborate with leading online travel agents (OTAs). This strategic partnership enables us to generate substantial online room night demand at our hotels, benefiting from preferential commissions.

We believe our established distribution network is a key asset that positions us well against our competitors. It also allows us to reach a wider audience, target specific segments effectively, build strong industry relationships, and cultivate customer loyalty.

4. Ability to acquire non / underperforming hotels and demonstrated track record to re-rate hotel's performance through renovation and / or rebranding

We believe, our ability to identify and acquire dislocated or underperforming hotel assets is a key competitive advantage. By strategically investing in these properties and implementing comprehensive renovation and rebranding plans, we have a proven track record of significantly enhancing their performance and value.

We prioritize modernizing our infrastructure to ensure our properties meet the highest standards and exceed guest expectations. Our guest rooms are meticulously redesigned with contemporary décor, comfortable furnishings, and latest technology to enhance comfort and convenience. Additionally, we revitalize common areas like lobbies, restaurants, and recreational spaces, creating inviting and aesthetically pleasing environments. We also aim to reduce our carbon footprint by implementing eco-friendly technologies such as lighting sensors, LED lighting, energy-efficient HVAC systems, and water-saving fixtures and we also use sustainable building materials and practices during renovations to promote environmental responsibility.

To enhance the overall guest experience, we invest in the latest technology, including high-speed internet, smart room controls, and advanced security systems. These features ensure a seamless and secure stay for our guests. Additionally, we expand our wellness amenities to include spas, fitness centers, and wellness programs, catering to the growing demand for health and well-being services.

We have a dedicated team of experienced trainers who travel across the country to all our hotels and conduct training sessions with our frontend and backend staff to enable smooth operations. They are trained to follow hygiene standards by following our company approved standard operating procedure. This also helps in personal development and ensures loyalty. The indirect benefits to staff includes insurance policy for Mediclaim, accommodation to staff with standard facilities, on duty food and also recognise staff with employee of the month and employee of the year.

To revitalize our underperforming hotel, we also implement a comprehensive rebranding strategy. We begin by refreshing our brand identity, updating logos, signage, and marketing materials to reflect a modern and cohesive visual aesthetic. Subsequently, we also craft a compelling brand story that resonates with target audience and highlight the unique value propositions of our property. We believe, this narrative helps us to differentiate our hotel from competitors and position it as a desirable choice for travellers. To reach a broader audience and build brand loyalty, we leverage digital platforms and social media. Additionally, we form strategic partnerships with travel agencies, corporate clients, and influencers to enhance brand visibility and attract new guests

Below are few examples where we have successfully acquired non-performing or underperforming hotels and revitalized them through strategic renovations and rebranding initiatives (*As per M/s Sharma Anil & Co., Independent Chartered Accountant dated September 19, 2024*):

1. On June 9, 2023, we entered into a revenue-sharing agreement with Hotel Sagar Plaza in Pune. At the time of the agreement, the hotel's Average Revenue per Room (ARR) was ₹1,600. Through our association, we were able to significantly increase the ARR to ₹3,000 by January 2024, demonstrating a substantial improvement of 87.50% in its ARR.
2. On April 01, 2023, we entered into a Franchise agreement with Hotel Clark in Dehradun. At the time of the agreement, the hotel's Average Revenue per Room (ARR) was ₹2,691 on March 2023. Through our association, we were able to significantly increase the ARR to ₹3,852 by November 2023, demonstrating a substantial improvement of 43.14% in its ARR.
3. On September 03, 2021, we entered into a Management agreement with Hotel Caliph in Mumbai. At the time of the agreement, the hotel's Average Revenue per Room (ARR) was ₹2,200 on September 2021. Through our association, we were able to significantly increase the ARR to ₹4,800 by March 2024, demonstrating a substantial improvement of 118.18% in its ARR

5. Experienced promoters and management team

We benefit from the experience of our management team who has extensive knowledge in the hospitality industry, including operations and business development. In particular, our promoters, Mansur Mehta and Mubeen Mehta who continues to provide guidance and oversees overall performance of our Company. We have an experienced management with significant experience in the hospitality business and are well supported by professionals with focus on specialization in running hotels. For further details, please refer to the chapter titled “Our Management” on page 188 of this Draft Red Herring Prospectus.

Our management team continues to focus on new growth areas in our service segments. The knowledge and experience of our Promoters, along with Key Managerial Personnel, Senior Management and team of skilled personnel, provides us with a significant competitive advantage as we seek to expand our service portfolio in our existing markets and new markets. We continue to leverage the experience of our Promoters, Directors, Key Managerial Personnel and senior management team to further grow our business and strategically target new market opportunities.

Business Strategies

1. Invest in hotels stuck for last mile funding

The COVID-19 pandemic dealt a significant blow to the hotel industry, disrupting operations and causing financial strain on numerous projects. While many hotels in key markets have recovered, several projects under development remain stalled due to funding shortages.

We intend to offer a strategic solution to address this challenge: i.e. by providing last-mile funding. By providing financial support during the final stages of furniture, fixtures and interior, we intend to enable hotel owners to complete their projects and realize their full potential. Our flexible contracts, with tenures of 9 to 30 years and customizable repayment schedules, offer a tailored approach to meet the specific needs of each project. Our funding can accelerate project completion, leading to earlier revenue generation. The potential for significant returns is particularly high in areas with strong demand for hotel accommodations. Moreover, these investments foster long-term relationships with hotel owners and us.

Our approach to investing in stranded hotel projects involves a multi-faceted strategy. We have a dedicated business development team along with other specialized consultants actively seeking out for such investment opportunities. To ensure the quality of our selections, we collaborate with industry experts who provide valuable insights and evaluations. We conduct rigorous overall due diligence to assess the financial viability and market potential of each project. We also offer customized funding solutions tailored to the specific needs of each hotel owner.

We are currently focusing on on-going projects in Kochi, Katra, Aurangabad and Lucknow. These locations offer growth potential and investment opportunities.

2. Identifying and renovating distressed hotel properties

The hospitality industry experiences a natural cycle of hotel asset depreciation, with interiors typically requiring renovation every 8 to 12 years. Many hotel owners face the challenge of funding these capital expenditures, especially when their properties are located in less-than-ideal locations. We intend to leverage our dedicated team and partnerships to identify hotels that are in need of renovation but have strategic locations and enter into long-term agreements with hotel owners, offering to finance the necessary interior renovations. Our investment will be recovered through a revenue-sharing model, ensuring a symbiotic relationship between the hotel owner and our company. Renovations can significantly enhance the guest experience, leading to higher Average Revenue Per Room (ARR). A refreshed property can attract and retain guests, thus boosting occupancy and rates. Our funding relieves hotel owners of the upfront cost of renovations. Once the property is renovated, the overall running cost of the property gets minimized which have a direct effect on our operating margins. Therefore, renovated properties can quickly generate revenue for our company and strengthen our brand. In past, we have successfully implemented this in Click Hotel Chakan Pune, Jim Corbett Tiger Den, Click Hotel Vadodara, Click Hotel White House Residency. These examples demonstrated the success of our strategy in revitalizing distressed hotel properties and driving profitable growth.

By investing in the renovation of stranded hotel assets, we can create significant value for both hotel owners and our company. Our approach focuses on identifying properties with strategic potential, providing flexible financing solutions, and ensuring a mutually beneficial partnership. This strategy not only contributes to the revitalization of the hospitality industry but also offers a lucrative investment opportunity.

3. Increase in sales and marketing team bandwidth

Sales and marketing are critical components of a successful hotel business, driving revenue and occupancy rates. In today's competitive landscape, hotels must effectively reach their target audience through both online and offline channels.

Online Travel Agents (OTAs) play a significant role in hotel distribution. Hotels need dedicated teams to manage their OTA partnerships, optimize listings, and monitor performance. A user-friendly website and mobile app are essential for direct bookings. Regular updates and promotions are crucial to attract and engage guests.

Further in Offline Sales, building strong relationships with corporate clients is essential for generating consistent business. Dedicated sales teams can focus on identifying and nurturing these relationships. The MICE (Meetings, Incentives, Conferences, and Exhibitions) market offers significant revenue potential. Hotels need dedicated teams to manage MICE inquiries, negotiate contracts, and deliver exceptional event services.

We intend to increase feet on street by employing industry professionals and team leaders to connect with the customers (Corporate, Leisure and MICE). We also intend to enhance our OTA management team. we also intend to utilize technology to streamline operations and improve efficiency. We intend to leverage data analytics to track performance, identify trends, and make informed marketing decisions. We will also partner with other businesses, such as travel agencies, to cross-promote and reach a wider audience.

4. Deploy loyalty program

Investing in a loyalty program is a strategic decision for hotels seeking to drive business growth and enhance guest satisfaction. By offering exclusive perks, personalized experiences, and rewards, hotels can differentiate themselves in the competitive market, fostering customer loyalty and increasing revenue. Loyalty programs provide valuable data, improve customer engagement, and enhance brand reputation. Ultimately, they contribute to long-term profitability and sustainable growth. Key benefits of a loyalty program include increased customer retention, enhanced customer experience, better data collection, improved customer engagement, increased brand advocacy, competitive advantage, boosted direct bookings, enhanced revenue management, encouragement of ancillary spending, and stronger guest relationships. By implementing a well-structured loyalty program, hotels can reap these benefits and position themselves for long-term success.

We intend to launch the "Loyalty Program" to capitalize on the numerous benefits outlined above. By implementing a robust loyalty program, we aim to foster stronger relationships with our guests, encourage repeat business, and enhance their overall experience. Through personalized rewards, exclusive offers, and tailored communication, we will create a sense of belonging and loyalty among our guests. Additionally, the program will provide valuable data insights, enabling us to refine our marketing strategies and improve our services. Ultimately, the Loyalty Program will contribute to increased revenue, enhanced brand reputation, and long-term sustainability.

Geographical Presence:

The table below sets forth our state-wise revenue contribution, in absolute terms and as a percentage of our Total Income, for the periods indicated:

Particulars	Financial Year 2024		Financial year 2023		Financial Year 2022	
	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations
Gujarat	1,930.99	36.44%	1,636.13	46.48%	1,142.76	56.45%
Maharashtra	755.33	14.25%	777.47	22.09%	491.33	24.27%
Karnataka	545.04	10.28%	484.40	13.76%	265.70	13.13%
Rajasthan	276.75	5.22%	216.10	6.14%	118.98	5.88%
Dubai	468.29	8.84%	-	0.00%	-	0.00%

Particulars	Financial Year 2024		Financial year 2023		Financial Year 2022	
	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations	(₹ in Lakhs)	% of revenue from operations
Uttar Pradesh	225.36	4.25%	-	0.00%	-	0.00%
Madhya Pradesh	126.65	2.39%	-	0.00%	-	0.00%
Punjab	119.30	2.25%	-	0.00%	-	0.00%
Various*	851.90	16.08%	405.76	11.53%	5.58	0.28%
Total	5,299.61	100.00%	3,519.86	100.00%	2,024.34	100.00%

*Includes Franchise and managed business operation

Business Development process to acquire the hotel:

The hotel acquisition process involves several key steps to ensure that the property aligns with the company's strategic objectives and delivers optimal returns. Here's a detailed breakdown:

1. Market Research and Target Identification:

- **Market Analysis:** Conduct thorough market research to identify high-potential locations based on factors like tourism trends, economic growth, infrastructure development, and demand for hospitality services.
- **Target Property Identification:** Identify hotel properties that align with your business strategy, considering factors such as location, property size, brand potential, and market segment (luxury, midscale, or budget).

2. Initial Property Evaluation:

- **Preliminary Assessment:** Evaluate the target property's current operational performance, financial health, and competitive position in the local market.
- **Physical Inspection:** Conduct a site visit to assess the condition of the hotel, including the building structure, guest rooms, common areas, amenities, and overall property maintenance.
- **Regulatory Compliance Check:** Verify that the hotel complies with all local laws, regulations, zoning requirements, and health and safety standards.

3. Due Diligence:

- **Financial Due Diligence:** Review the property's financial statements, tax records, and profit margins to assess its financial stability and potential for return on investment (ROI).
- **Legal Due Diligence:** Examine ownership titles, contracts, licenses, and any legal liabilities or pending disputes related to the property.
- **Operational Due Diligence:** Evaluate key operational metrics such as occupancy rates, average daily rates (ADR), revenue per available room (RevPAR), and customer reviews to understand the operational performance.
- **Brand Affiliation Review:** If the hotel is affiliated with a brand or franchise, assess the terms of the agreement and the potential benefits or challenges of maintaining the affiliation.

4. Valuation and Financial Modeling:

- **Property Valuation:** Conduct a detailed valuation of the hotel property using methods such as the income approach, comparable sales, or replacement cost analysis.
- **Financial Projections:** Create a financial model to project future cash flows, taking into account factors like expected occupancy rates, room rate growth, and potential operating cost improvements.
- **Return on Investment (ROI) Analysis:** Calculate expected returns, including risk-adjusted returns, to determine the feasibility of the acquisition.

5. Negotiation and Deal Structuring:

- **Price Negotiation:** Negotiate the purchase price based on the valuation, due diligence findings, and potential for future growth.

- **Deal Structure:** Decide on the structure of the acquisition, such as outright purchase, leaseback, joint venture, or revenue-sharing model.
- **Financing:** Arrange for financing through internal funds, bank loans, or private equity, depending on the acquisition strategy and financial model.

6. Contract Finalization:

- **Purchase Agreement:** Draft and finalize the sale and purchase agreement, including all terms and conditions, warranties, and representations.
- **Closing the Deal:** Finalize the legal and financial transaction, transfer ownership, and complete any remaining regulatory filings.

7. Transition and Integration:

- **Operational Transition:** Ensure a smooth handover of operations, including management systems, staff, suppliers, and any third-party service providers.
- **Brand Conversion:** If rebranding is part of the strategy, execute the brand conversion plan, including rebranding signage, marketing, and service standards.
- **Renovation and Upgrades:** If needed, initiate renovation or modernization projects to improve the property's appeal and service offerings.
- **Launch and Marketing:** Implement a marketing strategy to announce the acquisition and attract guests through online platforms, travel agencies, and local partnerships.






8. Performance Monitoring and Optimization:



- **Post-Acquisition Review:** Monitor the hotel's operational and financial performance to ensure that it meets the projected targets and objectives.
- **Continuous Improvement:** Implement strategies to optimize operational efficiency, enhance guest experiences, and maximize profitability.

This structured process ensures that each acquisition aligns with long-term goals, minimizes risks, and maximizes the return on investment.

Our Brand Portfolio

Below is the bifurcation of our operating hotels along with number of rooms in terms of brands being managed by us:

Brand	Number of Hotels	Number of Rooms
	2	89
	27	1,143
	13	759
	2	55
	7	552

Brand	Number of Hotels	Number of Rooms
	27	1,122
	1	24
Total	79	3,744

Description of brands

SUBA	Targeted primarily at the high-end premium segment at strategic locations in key cities where customers are desirous of premium service experience. It represents a promise of luxury services and facilities at affordable prices.
Click Hotels	Targeted primarily at the midscale segment catering to business and leisure guests and offers a comfortable, cost-effective, and convenient experience; Click Hotels follow the simple mantra of bed, breakfast, and bathroom and broadband which expanded further to include broadband as well.
Quality	Offers all essentials you need for a thoroughly satisfying stay. Quality promises guests a stay experience that delivers everything they expect.
GenX	Smart hotels that present a fusion of new-age youthful living, sophisticated design, and the age-old comfort of warm hospitality.
Clarion	Luxurious and distinctive, Clarion Hotels, Suites and Resorts offer special class hotels. Upscale amenities and flawless attention to detail combine to create the Clarion experience.
Comfort	Focused on consistently delivering all key drivers of guest satisfaction and likelihood to recommend, creating even higher demand for the brand and potential for returns.
RnB	Targeted at the budget / economy segment, it is synonymous with elegance and affordability. Located at primarily leisure locations, RnB offers a comfortable stay at economical price points.

Our partnership with Choice Hotels as a Choice Master Franchisee has been instrumental in our growth and success. This collaboration provides us with access to their renowned brand, extensive network, and valuable resources. As a Choice Master Franchisee, we benefit from their reservation system, marketing support, distribution channels, and loyalty program. This partnership significantly enhances our visibility and reach, allowing us to attract a wider customer base and drive bookings.

Below is the total list of our operational hotels as on July 31, 2024

Sr. No.	Brand	Hotel Name	Location	Model	Keys
1	Quality	Quality Hotel Dv Manor	Vijayawada	Franchisee	115
2	Clarion	Clarion Hotel Bella Casa	Jaipur	Franchisee	109
3	Clarion	Clarion Inn Sevilla	Zirakpur	Franchisee	103
4	Comfort	Comfort Inn Tulip Height	Bhatinda	Franchisee	98
5	Click	Click Hotel Guwahati	Guwahati	Managed	95
6	Quality	Quality Inn Residency	Hyderabad	Franchisee	95
7	Comfort	Comfort Inn Statue of Unity	Kevadia	Franchisee	91
8	Clarion	Clarion Inn Kukas	Jaipur	Franchisee	90
9	Clarion	Clarion Hotel	Bengaluru	Franchisee	88
10	Comfort	Comfort Inn Donil	Vadodara	Franchisee	82
11	Clarion	Clarion Hotel Amps, Patiala	Patiala	Franchisee	75
12	Quality	Quality Inn Ocean Palms	Goa	Franchisee	73
13	Quality	Quality Inn Sabari	Chennai	Franchisee	72
14	Click	Click Hotel Caliph	Mumbai	Managed	66
15	Click	Click Hotel Pithampur	Indore	Owned	63
16	Comfort	Comfort Inn Lucknow	Lucknow	Franchisee	63
17	Click	Click Hotel Transport Nagar	Lucknow	Managed	62

Sr. No.	Brand	Hotel Name	Location	Model	Keys
18	Quality	Quality Inn Gurugram	Gurgaon	Franchisee	60
19	Clarion	Clarion Inn, Indore	Indore	Franchisee	57
20	Comfort	Comfort Inn Sunset	Ahmedabad	Franchisee	57
21	Comfort	Comfort Inn Alstonia	Amritsar	Franchisee	57
22	Quality	Quality Inn Regency	Nashik	Franchisee	55
23	Click	Click Hotel Yuvraj	Surat	Franchisee	54
24	Comfort	Comfort Inn President	Ahmedabad	Franchisee	53
25	Click	Click Capital House	Patna	Managed	50
26	Click	Click Hotel White House Residency	Vadodara	Lease / Rev Share	49
27	SUBA	Hotel Suba Elite Vadodara	Vadodara	Owned	49
28	Comfort	Comfort In Burhar Vilasa	Burhar	Franchisee	48
29	Quality	Quality Inn Elite	Amritsar	Lease / Rev Share	48
30	Quality	Quality Inn Rocville	Bengaluru	Franchisee	48
31	Click	Click Hotel Grand Square	UAE- Dubai	Lease / Rev Share	47
32	Quality	Quality Inn Bez Krishnaa	Visakhapatnam	Franchisee	47
33	Click	Click Hotel Aurangabad	Aurangabad	Lease / Rev Share	45
34	Click	Click Tulsi	Jamnagar	Managed	45
35	Comfort	Comfort Hotel Vista Residency	Lucknow	Franchisee	42
36	Quality	Quality Inn Viha	Kumbakonam	Franchisee	42
37	Click	Click Hotel Junagadh	Junagadh	Owned	41
38	Quality	Quality Inn Mint	Pune	Franchisee	41
39	Click	Click Hotel Nashik	Nashik	Lease / Rev Share	40
40	Comfort	Comfort Inn Insys	Bengaluru	Franchisee	40
41	Comfort	Comfort Inn Legacy	Rajkot	Franchisee	40
42	SUBA	Suba Star Ahmedabad	Ahmedabad	Owned	40
43	Click	Click Hotel Biz Bangalore	Bengaluru	Lease / Rev Share	39
44	Click	Click Hotel Bangalore	Bengaluru	Lease / Rev Share	39
45	Click	Click Chakan Pune	Chakan	Lease / Rev Share	37
46	Click	Click By Suba	Jamnagar	Lease / Rev Share	37
47	Comfort	Comfort Inn Sapphire	Ahmedabad	Franchisee	37
48	Comfort	Comfort Inn Sapphire	Jaipur	Franchisee	37
49	Comfort	Comfort Inn Karnal	Karnal	Managed	37
50	Click	Click Hotel Sunberry Katra	Katra	Franchisee	36
51	Click	Click Collection Jaipur	Jaipur	Lease / Rev Share	35
52	Click	Pinnacle By Click	Lucknow	Managed	35
53	Comfort	Comfort Hotel Batala Road	Amritsar	Franchisee	35
54	Comfort	Comfort Inn Udaipur	Udaipur	Franchisee	35
55	Click	Click Hotel Bhuj	Bhuj	Owned	34
56	Click	Click Hotel Jaipur	Jaipur	Lease / Rev Share	34
57	Click	Click Hotel Vadodara	Vadodara	Lease / Rev Share	33
58	Genx	Genx Brij Jamui	Jamui	Managed	32
59	Quality	Quality Inn Bhagsu	McLeodganj	Franchisee	32
60	Quality	Quality Inn Ramachandra	Visakhapatnam	Franchisee	31
61	Clarion	Clarion Hotel Dehradun	Dehradun	Managed	30
62	Comfort	Comfort Inn Dehradun	Dehradun	Franchisee	30
63	Comfort	Comfort Inn Coral River,	Pathankot	Franchisee	30
64	Click	Click Narayana Ayodhya	Ayodhya	Managed	29
65	Click	Click Hotel Sunberry	Srinagar	Franchisee	29
66	Click	Click Saphire Star	Indore	Managed	27
67	Comfort	Comfort Inn Emerald, Dapoli	Dapoli	Franchisee	27
68	Comfort	Comfort Inn Silver Arc	Mussoorie	Franchisee	27
69	Comfort	Comfort Inn Benares, Varanasi	Varanasi	Franchisee	26
70	Comfort	Comfort Inn Gms Dehradun	Dehradun	Franchisee	24
71	RnB	Rnb Select Walkin Lucknow	Lucknow	Managed	24
72	Click	Click Corbett Tiger Den Resort	Corbett	Lease / Rev Share	23
73	Genx	Genx Mirzapur	Mirzapur	Lease / Rev Share	23

Sr. No.	Brand	Hotel Name	Location	Model	Keys
74	Comfort	Comfort Inn Ghaziabad	Ghaziabad	Franchisee	22
75	Comfort	Comfort Inn Dhaliwals	Gurgaon	Franchisee	21
76	Comfort	Comfort Inn, Kaikaluru	Kaikaluru	Franchisee	21
77	Comfort	Comfort Inn Pratapvasini	Pratapgarh	Franchisee	21
78	Comfort	Comfort Inn City Centre Varanasi	Varanasi	Franchisee	21
79	Click	Click Colelction the Abode	Dharamshala	Managed	19
		Total			3744

Below is the list of hotels as on July 31, 2024, which are in a pre-opening phase i.e. agreements are signed but we are yet to generate revenue:

Sr. No.	Brand	Hotel Name	Location	Model	Keys
1	Clarion	Clarion Hotel	Lucknow	Franchisee	110
2	Clarion	Clarion Hotel	Hyderabad	Franchisee	105
3	Quality	Quality Inn	Rajkot	Managed	94
4	Comfort	Comfort Inn	Khanvel	Franchisee	87
5	Clarion	Clarion Inn	Bodhgaya	Franchisee	74
6	Comfort	Comfort Inn - Continental Park	Hyderabad	Franchisee	72
7	Clarion	Clarion Hotel	Kochi	Lease / Rev Share	70
8	Comfort	Comfort Hotel Sagar	Lucknow	Franchisee	60
9	Clarion	Clarion Hotel	Bangalore	Lease / Rev Share	56
10	Comfort	Comfort Inn	Abu Raod	Franchisee	50
11	Clarion	Clarion Inn	Amritsar	Managed	48
12	Quality	Quality Inn	Agra	Franchisee	48
13	Clarion	Clarion Inn	Bhatinda	Franchisee	44
14	Quality	Quality Inn	Jaipur	Lease / Rev Share	43
15	Click	Click Hotel	Unnao	Managed	42
16	Comfort	Comfort Inn	Anupgadh	Franchisee	42
17	Comfort	Comfort Inn	Ghaziapur	Franchisee	42
18	Click	Click Collection	Lucknow	Lease / Rev Share	40
19	Click	Click Collection	Varanasi	Lease / Rev Share	40
20	Click	Click Grand - new	UAE- DUBAI	Lease / Rev Share	38
21	Comfort	Comfort Inn	Dalhousie	Franchisee	37
22	Comfort	Comfort Inn	Aurangabad	Lease / Rev Share	36
23	Click	Click Collection	Katra	Lease / Rev Share	35
24	Comfort	Comfort Inn Beas	Beas	Franchisee	35
25	Click	Click Hotel	Kanpur	Lease / Rev Share	33
26	Click	Click Hotel Ark	Amritsar	Managed	33
27	Quality	Quality Inn Tamsa	Azamgarh	Franchisee	33
28	Click	Click Hotel	Alwar	Managed	30
29	Click	Click Hotel Gomti	Akbarpur	Managed	30
30	Click	Click Hotel	Dahej	Managed	29
31	Quality	Quality Inn	Narsipatnam	Franchisee	29
32	Comfort	Comfort Inn BL	Bareilly	Franchisee	28
33	Genx	Genx	Varanasi	Lease / Rev Share	26
34	Comfort	Comfort Inn	Goa	Franchisee	24
35	Click	Click Hotel	Hyderabad	Managed	18
		Total			1661

Proposed plan

We intend to use a portion of the Net Proceeds towards (1) Funding for Civil and Interior work for hotel premises situated at Pithampur, (2) Renovation, Refurbishment and Modernization of hotel premises at Vadodara, Ahmedabad, Junagarh, Bhuj & Nasik and (3) Funding for the hotel premises which are on Revenue & Lease basis in Bangalore.

The Union Budget 2023-24 announced in February 2023 highlights tourism as one of the key contributing sectors to the economy and allocated an amount of INR 2,400 crores to the Ministry of Tourism. The allocations in this budget prioritise the development of several tourism destinations in a holistic manner with a keen focus on 50 destinations which can be promoted globally on account of world class tourist facilities (*Source: JLL Report*) The increase in volume in 2022 can also be attributed to the completion of several projects which were on hold for the two years before that. The hotel room pipeline from CY 2024 to CY 2027 is expected to grow at a CAGR of 3.5%. In Q1 2024 (January to March), hotel signings in tier 2&3 cities witnessed the addition of over 8,300 keys, of which ~52% of the total number of keys are expected to open by 2026 and 2027 (*Source: JLL Report*) and we intend to increase our market share and enter high-growth geographies through such opportunities.

Our growth strategy for expanding our hotel portfolio is built on our proven expertise in hotel acquisitions and successful turnarounds. We focus on acquiring properties with the goal of achieving long-term, sustainable, and risk-adjusted returns on capital employed. Our Object and strategy are based on the following key factors:

- The Pithampur hotel premises are currently operational with two floors, and we are expanding by adding additional rooms on the two newly constructed floors to meet the growing demand for our services. In addition to increasing room capacity, we are enhancing our offerings with banquet and event spaces, and spa services. These new amenities are designed to provide a comprehensive and elevated experience for both business and leisure travelers.
- The renovation, refurbishment, and modernization of our existing hotel premises will allow us to enhance guest experiences, improve operational efficiency, and increase the overall value of our properties. Upgraded facilities and modern amenities can attract a wider customer base, boost occupancy rates, and enable us to command higher room rates. Additionally, these improvements will help us stay competitive in the market, reduce maintenance costs, and extend the lifecycle of our assets, ultimately contributing to increased profitability and long-term growth.
- We are expanding our portfolio by adding new hotel premise located in Tier 1 cities, Bangalore, operating under a revenue-sharing and lease model. These Tier 1 cities are major business, tourism, and cultural centers, attracting a steady stream of visitors, including business travelers, medical travelers, tourists, and expatriates. This consistent flow of guests is expected to drive strong demand for hotel accommodations, contributing to the success of our new properties.
- identification of hotels which we view as dislocated (i.e., hotels underperforming as compared to a fair competitive set) from their inherent potential due to combination of factors such as poor product, brand, capital structure or management or inadequate operating model.
- The strategic timing of target selection focuses on identifying locations with an existing demand base but significant growth potential, as the area develops in terms of social and commercial infrastructure.

cash generated from operations towards further reduction in debt and partly to fund continued growth.

Environmental Matters

In connection with our business of hotels and development of properties, we are subject to various national, state and local laws and regulations relating to environmental laws, and have adopted a Social, Environment, Health and Safety Policy.

We are focused on energy and resources conservation measures. We have implemented efficient water heating systems and central building automation systems at certain properties for air conditioning. We have also set up energy-efficient VRV flow based air-conditioning units and motion detection sensors to reduce our energy consumption levels. We intend to install rainwater harvesting system in our certain hotel premises. We have Electric vehicle chargers at some of our hotel premises.

We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management and disposal of hazardous substances and wastes and health and safety. See “*Risk Factors – Risk factor 42 – Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations. The potential liability for any failure to comply with environmental laws or for any currently unknown environmental problems could be significant.*” on page 57.

Sales and marketing

Our sales and marketing team is responsible for driving revenue, increasing occupancy and rates. They also look after developing and implementing strategies to attract new guests, retain existing customers, and enhance the overall guest experience. As on August 31, 2024, our sales and marketing team comprises of 30 employees. The key function of the sales and marketing team encompasses direct sales, marketing, corporate and leisure sales, revenue management, Request for proposal for PAN India contracting, digital marketing and social media, public relations and customer relationship management.

Intellectual property

For details related to intellectual property rights, please refer section titled “Government and other key approvals” on page 260 of this Draft Red Herring Prospectus.

Properties

Property Name	Details of Property	Date of Agreement	Validity	Actual use Owned / Leased (Validity *)	Details of the lessor/licensor/seller
Hotel Suba Star Amedabad	Judges Bungalow Road, Near Akash Tower Bodakdev Ahmedabad, Gujarat 380 015	October 25, 2007	NA	Owned	Niyant Association
Click-Bhuj	New Railway Colony Rd, Railway Area, Bhuj, Gujarat 370001	May 15, 2014	45 Years	Land on leased - structure owned	Rail Land Development Authority
Click-Junagadh	Railway Station Rd, Compound, Saibaba Society, Junagadh, Gujarat 362001	May 15, 2014	45 Years	Land on leased - structure owned	Rail Land Development Authority
Click-Pithampur	Sector No – 05, Commercial Plot Industrial Growth Centre, Plot No.05, Dist, Pithampur, ., Madhya Pradesh	July 01, 2019	30 Years	Land on leased - structure owned	MPIDC
Hotel Suba Elite-Vadodara	Abbas Tyabji Rd, next to Parsi Agiari, Jayesh Colony, Fatehgunj, Vadodara, Gujarat 390002	June 10, 2014	NA	Owned	M/s Sai Reality Developers
Click-Aurangabad	Survey no 197, Cidco, Aurangabad, Maharashtra-431003	October 30, 2019	9 Years	Lease & Revenue Share	Rauf Sattar Pathan
Click Hotel Bangalore	No. 35, Down Town Park Sadahalli Gate, HAL Old Airport Rd, near ITC Factory, International, Bengaluru, Karnataka 562157	December 11, 2019	9 Years	Lease & Revenue Share	Sufia Naz
Bengaluru-Biz	4, E Kadiganahalli, Hobli, Bharathinagar, Chikkajala, Bengaluru, Karnataka 562157	January 04, 2024	5 Years	Lease & Revenue Share	Raineo ventures Pvt Ltd
Tiger Den	Village -Patta Pani, Kaladhungi Haldwani Road , Tehsil kaladhungi , Bailprao Ramnagar ,Nainital Uttarakhand - 263140	March 20, 2024	9 Yrs	Lease & Revenue Share	Winsper Hotels & Resort
Genx Mirzapur	1, Shivala Mahanth zila panchayat road sadar mirzapur Uttarpradesh - 231001	March 20, 2024	8.67 Yrs	Lease & Revenue Share	M/S Mirzapur Developers Pvt. Ltd.

Property Name	Details of Property	Date of Agreement	Validity	Actual use Owned / Leased (Validity *)	Details of the lessor/licensor/seller
Quality Inn Elite Amritsar	49, Railway Link Rd, Liberty Market, INA Colony, Amritsar, Punjab 143001	December 01, 2023	11 months	Lease & Revenue Share	Raja & Co Overseas Pvt. Ltd.
Click Hotel Nashik	Mumbai - Agra National Hwy opposite Orchid International, Chetana nagar, Nashik, Maharashtra 422009, Rane Nagar, Nashik, Maharashtra 422010	July 01, 2020	8 Yrs & 11 Months	Lease & Revenue Share	Sunman Infrastructures Pvt Ltd
Click Sagar Plaza Chakan	Rajgurunagar - Khed, Pune - Nashik Hwy, near Toll Plaza, Chandoli, Maharashtra 410505	June 09, 2023	9 yrs 11 months	Lease & Revenue Share	Sagar Plaza
Click Hotel Jaipur	Plot No: 549, Nr. LBS College of Pharmacy, Raja Park, Jaipur, Rajasthan 302004	August 21, 2020	9 yrs 11 months	Lease & Revenue Share	Ayaan Associates LLP
Click Vadodara Swastik	BBC Tower Lane, Opp Vikram Hotel, Sayajigunj, Vadodara - 390001	April 03, 2023	9 yrs 11 months	Lease & Revenue Share	Swastik hotel (Ashish Gupta)
Click Vadodara WHR	Bh Hanuman Temple, Vasna Bhayli Road, Vasna, Vadodara-390015	April 01, 2023	10 yrs	Lease & Revenue Share	long stay apartment (Haresh shah)
Click By Suba Jamnagar	Teen Batti Rd, Patrakar Colony, Jamnagar - 361001	May 28, 2022	5 yrs	Lease & Revenue Share	Raman Morzaria / Daxa Morzaria/ Kush Morzaria
Click Hotel Grand Square	31 D Street Old Maktoum Hospital Road, Naif Road, Deira Dubai, UAE	August 16, 2024	15 months	Lease & Revenue Share	Khalid Mohamed Dahi Saeed Almheiri
Lower Parel - (Corporate Office)	Marathon Nexgen innova, B2 - 1004, off ganpatrao kadam marg, lower parel west,, Mumbai, Maharashtra 400013	June 01, 2024	5 years	Rent from Promoters and Promoter group	Mansur Mehta, Mubeen Mehta & Shabnam Mehta
Click Collection Jaipur	Plot 1-2 Motilal Atal Road Ganpati plaza road Jaipur, Rajasthan 302006	April 13, 2023	4 yrs 11 months	Lease & Revenue Share	Pomros Hotel and Restaurant- Pyarelal Jat

Infrastructure Facilities

Registered Office and Corporate Office, and other properties Corporate Office:

Our Registered office is located at Hotel Suba Star, Judges Bungalow Road, Near Akash Tower Bodakdev Ahmedabad 380 015, Gujarat, India.

Our Corporate office is located at B2-1004, Marathon Nextgen Innova Off Ganpat Rao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Other Properties: 5 owned hotels consisting of 227 rooms, 13 managed hotels consisting of 551 rooms, 14 hotels on revenue share & lease basis consisting of 529 rooms and 47 franchised hotels consisting of 2,437 rooms.

Power: Our Registered office receives adequate power supply from Torrent Power. The connection is in the name of our Company. Our Corporate office receives adequate power supply from Tata Power. The connection is in the name of Promoters i.e., Mansur Mehta and Mubeen Mehta and one of the Promoter group member i.e., Shabnam Mehta. Other owned properties receive power supply from respective power supply authority. For Revenue share & Lease, Franchise and Managed hotels are undertaken by the property owner.

Water: We have an adequate water supply across all our properties, meeting the operational demands of the hotel.

Quality Policy

We are dedicated to delivering hospitality services and educational offerings, with a focus on achieving complete customer satisfaction. As part of our ongoing commitment to enhancing operational efficiency, we regularly review our processes and procedures, identifying design gaps and opportunities for automation. We continuously improve key areas such as operations, revenue management, finance and accounting, procurement and inventory management, human resources and payroll, information technology, and travel and tourism services.

Competition

Competition in our industry is primarily influenced by factors such as the quality of accommodation, pricing, service levels, brand reputation, facilities and supporting infrastructure, location convenience, and the quality of lobby areas, food and beverage offerings, and other amenities. We face competition from both domestic and international hotel chains within the luxury and mid-market segments in India. Some of our competitors are large, well-resourced entities with extensive financial, technical, and marketing capabilities, allowing them to benefit from economies of scale through larger room inventories. Additionally, certain competitors operate across various segments of the Indian hotel industry-ranging from budget to luxury and heritage and have a broad geographic footprint. Other competitors may possess significant experience and established reputations in the Indian hospitality sector. As we expand our operations, we will contend with formidable competition from well-recognized Indian and international hotel chains.

A large share of the total hotel room supply in India lies in the unbranded and independently owned segment. Accounting for close to 50% of the total inventory (Rooms) in India, the independent segment is vastly distributed across various geographies in the country. As seen in the graph below, tier 3 and above cities in India comprise the largest volume of the total hotel inventory in India with the largest share of unbranded inventory accumulated across tier 3 locations followed by tier 1. (Source: JLL Report)

Technology

Our critical business processes are supported by a full-fledged internal IT department. We have implemented third-party (IDS and Hotelogix) Property Management System (PMS) reservation systems for bookings across all our hotels and is supported by certain network and infrastructure programs, which assist us in recording customer reservations, profiles, preferences, billing details and payments, among other information. These products are integrated with programs that relate to matters such as payables, receivables and inventory. Our customers have increasingly utilized our internet-based booking solutions for making their bookings through various channels. Our corporate website also has options for offers and packages. Communication systems and surveillance systems are installed at all our hotels, which are supported by systems for internet, voice and virtual private networks procured from multiple service providers. For risk related to Technology, please refer “*Risk Factors-Risk Factor 50-Any failure of the information technology systems used in our operations could impair our ability to effectively provide services, which could damage our reputation and adversely affect our business and operations.*”

Human Resources

The details of department wise number of employees are given here below:

Category	Employee
Management	5
Admin	35
Human Resources	3
Sales and Marketing	30
Accounts and Finance	27
Engineering	42
Security	26
F & B (Services)	75
Trainer	3
Front Office	75
Housekeeping	109
Others	224

Category	Employee
Kitchen	107
Total	761

Insurance

The details of various insurance policies taken by our Company are as follows:

Sr. No.	Insurance Company	Period of Insurance	Details	Sum assured (₹ in Lakhs)	Policy No.
1	ICICI LOMBARD	November 16, 2023, to November 15, 2024	Public Liability	500.00	4009/264235918/01/000
2	Bajaj Allianz General Insurance	May 03, 2024, To May 02, 2025	Standard Fire Policy	1,450.00	OG-25-1911-4094-00000002
3	Bajaj Allianz General Insurance	November 20, 2023, To November 19, 2024	Standard Fire Policy	2,700.00	OG-24-1911-4094-00000096
5	Bajaj Allianz General Insurance	January 13, 2024, To January 12, 2025	Standard Fire Policy	1,800.00	OG-24-1911-4057-00000124
6	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	800.00	OG-25-1920-4057-00000003
7	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	800.00	OG-25-1911-4057-00000088
8	Bajaj Allianz General Insurance	September 12, 2024, to September 11, 2025	Standard Fire Policy	957.00	OG-25-1911-4094-00000077
9	Bajaj Allianz General Insurance	December 14, 2023, to December 13, 2024	Commercial vehicle Policy	5.50	OG-24-1911-1803-00002022
10	Tata AIG General Insurance Company Ltd	April 19, 2024, to April 18, 2025	Vehicle Policy	3.50	6202807706 00 00
11	Bajaj Allianz General Insurance	December 14, 2023, to December 13, 2024	Commercial vehicle Policy	3.67	OG-24-1911-1803-00002023
12	Tata AIG General Insurance Company Ltd	May 17, 2024, To May 16, 2025	Vehicle Policy	12.40	6202900970 00 00
13	HDFC ERGO General Insurance company limited	September 26, 2023, to September 25, 2024	Vehicle Policy	8.40	2314204918802201000

For risk associated with insurance coverage, refer “Risk Factors-Risk factor 45- While we currently have adequate insurance coverage, our insurance coverage in the future may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition” on page 58 of this Draft Red Herring Prospectus.

KEY REGULATIONS AND POLICIES IN INDIA

The following is an overview of certain key sector specific relevant laws and regulations in India which are applicable to the operations of our Company and its Subsidiaries. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial or judicial decisions.

For details of the material government approvals obtained by us in relation to these laws and regulations, see "Government and Other Approvals" on page 260 of this Draft Red Herring Prospectus.

BUSINESS RELATED LAWS

The Food Safety and Standards Act, 2006 ("FSS Act")

The FSS Act consolidates laws relating to food and establishes the Food Safety and Standards Authority of India ("FSSAI") its lays down science-based standards for food articles and regulates their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI also includes specifications for food activities, flavourings, processing aids and material in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. The FSS Act also sets out, among other things, the requirements for licensing and registration of food businesses, general principles of food safety and responsibilities of a food business operator and liability of manufacturers and sellers. The FSS Act also lays out procedure for adjudication by the Food Safety Appellate Tribunal.

Further, the Food Safety and Standards Rules, 2011 ("**FSS Rules**") lays down detailed standards for various food products, which include, among others, specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. For enforcement under the FSS Act, the 'commissioner of food safety', 'food safety officer' and 'food analyst' have been granted detailed powers of seizure, sampling, taking extracts and analysis under the FSS Rules. The FSSAI has also framed, among others, the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
- Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011;
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
- Food Safety and Standards (Food or Health Supplements, Nutraceuticals, Food for Special Dietary Purpose, Functional Food and Novel Food) Regulations, 2016;
- Food Safety and Standards (Food Recall Procedure) Regulations, 2017;
- Food Safety and Standards (Import) Regulations 2017;
- Food Safety and Standards (Approval for Non-Specific Food and Food Ingredients) Regulations, 2017;
- Food Safety and Standards (Organic Food) Regulations, 2017;
- Food Safety and Standards (Alcoholic Beverages) Regulations, 2018;
- Food Safety and Standards (Fortification of Food) Regulations 2018;
- Food Safety and Standards (Food Safety Auditing) Regulations, 2018;
- Food Safety and Standards (Recognition and Notification of Laboratories) Regulations, 2018;
- Food Safety and Standards (Advertising and Claims) Regulations, 2018;
- Food Safety and Standards (Packaging) Regulations, 2018
- Food Safety and Standards (Recovery and Distribution of Surplus food) Regulations, 2019
- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011
- Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011
- Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2017
- Food Safety and Standards (Alcoholic Beverages) Regulations, 2018

- Food Safety and Standards (Packaging) Regulations, 2018
- Food Safety and Standards (Labelling and Display) Regulations, 2020

Police Laws and Fire Prevention Laws

We own and operate hotels in various states. Accordingly, legislations passed by such state governments are applicable to us in those states. These include legislations relating to inter alia classification of land use, fire prevention and safety measures by occupiers of buildings, lifts, signage and legislations dealing with license for sale of alcohol. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area we operating in. Further, the state governments have also enacted laws regulating public order and police, which provide, inter alia, for the licensing of places of public amusement or entertainment, registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, among others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

ENVIRONMENTAL LEGISLATIONS

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**"), and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Rules**") aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land is required to obtain prior consent of the relevant state pollution control board. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aims to protect and improve the environment and provides rules for the prevention, control and abatement of environment pollution, and imposes obligations for the proper handling, storage, treatment, transportation and disposal of hazardous wastes.

Noise Pollution (Regulation and Control) Rules, 2000 (the "Noise Pollution Rules")

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The Rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

INTELLECTUAL PROPERTY LAWS

Certain laws relating to intellectual property rights such as copyright protection under the Copyright Act, 1957

and trademark protection under the Trade Marks Act, 1999 are also applicable to us.

The Copyright Act, 1957 (the "**Copyright Act**") governs copyright protection in India. It specifies that for the purposes of public performance of Indian or international music a public performance license must be obtained else it will invite criminal action. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

The Trade Marks Act, 1999 (the "**Trade Marks Act**") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

OTHER RELEVANT LEGISLATIONS

Consumer Protection Act, 2019 ("COPRA 2019")

COPRA 2019 has replaced the earlier Consumer Protection Act, 1986, in seeking to provide better protection to the interest of consumers, especially in the digital age. The key features of the COPRA 2019 include wider definition of "consumer", enhancement of pecuniary jurisdiction, flexibility in e-filing complaints, imposition of product liability, wider definition of unfair trade practices, and provision for alternative dispute resolution. Furthermore, it proposes the establishment of a regulatory authority known as the Central Consumer Protection Authority ("**CCPA**"), with wide powers of enforcement. The CCPA will have an investigation wing, headed by a Director-General, which may conduct inquiry or investigation into consumer law violations. Further, the CCPA has been granted wide powers to take suo moto actions, recall products, order reimbursement of the price of goods/services, cancel licenses and file class action suits, if a consumer complaint affects more than one individual.

Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules")

The Ministry of Consumer Affairs issued the E-Commerce Rules under the Consumer Protection Act, 2019 on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) good/services purchases or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. The E-Commerce Rules further requires the e-commerce entity to appoint grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the Consumer Protection Act, 2019.

Additionally, they would be required to share information within 72 hours with government agency which is lawfully authorised for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents.

Taxation Laws

The tax related laws that are pertinent include the Income tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of FEMA Act along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy ("FDI Policy") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the current FDI Policy (effective October 15, 2020), 100% foreign direct investment in companies engaged in the hotels/hospitality sector

as well as those engaged in construction development of hotel projects, is permitted under the automatic route, i.e., without prior government approval, subject to compliance with certain prescribed conditions.

Labour Related Laws

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this Code will be brought into force on a date to be notified by the GoI.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this Code will be brought into force on a date to be notified by the Central Government. The GoI has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other

Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this Code will be brought into force on a date to be notified by the GoI. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

The Information Technology Act, 2000 (the "IT Act")

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers.

In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 and Information Technology (Reasonable security practice and procedure and sensitive personal data or information) Rules, 2021 (the "**IT Intermediaries Rules**") under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

The Digital Personal Data Protection Act, 2023 (the "DPDP Act")

The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice to data principals in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data.

The DPDP Act further provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. The notice should contain details about the personal data to be collected and the purpose of processing. Consent may be withdrawn at any point in time. An individual whose data is being processed (data principal), will have the right to: (i) obtain information about processing, (ii) seek correction and erasure of personal data, (iii) nominate another person to exercise rights in the event of death or incapacity, and (iv) grievance redressal. Data principals will have certain duties. They must not: (i) register a false or frivolous complaint, and (ii) furnish any false particulars or impersonate another person in specified cases. Violation of duties will be punishable with a penalty of up to ₹ 10,000.

Police Laws and Fire Prevention laws

We own and operate hotels and commercial projects in various states. Accordingly, legislations passed by such state governments are applicable to us in those states. These include legislations relating to inter Alia classification of land use, fire prevention and safety measures by occupiers of buildings, lifts, signage. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area we are operating in. Further, the state governments have also enacted laws regulating public order and police, which provide, inter alia, for the licensing of places of public amusement or entertainment, registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification

Environment (Protection) Act, 1986 (“Environment Act”) and the Environment (Protection) Rules, 1986 (“Environment Rules”)

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe the standards of quality of air, water or soil for various areas:

- the maximum allowable limits of concentration of various environmental pollutants for different areas;
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents; and
- the procedures and safeguards for extracting and utilizing ground water.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form

The Environmental Impact Assessment Notification, 2006 (the “EIA Notification”)

As per the EIA Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the schedule to the EIA Notification and meeting the thresholds specified therein can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. In 2016, the Ministry of Environment, Forest and Climate Change (“MoEF”) issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Trupti Supercaterers and Hotels Private Limited”, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 23, 1997, issued by the Registrar of Companies, Mumbai. The name of our Company was changed to “Trupti Caterers & Hotels Private Limited”, pursuant to a fresh certificate of incorporation dated May 21, 2008, issued by the Registrar of Companies, Mumbai. Further, the name of our Company was changed from “Trupti Caterers & Hotels Private Limited” to “Hotel Suba Star Private Limited” pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai dated October 8, 2014.

Thereafter, our Company entered into a composite Scheme of Amalgamation and Demerger, which was approved by the National Company Law Tribunal, Ahmedabad vide their order dated March 15, 2023. Pursuant to the same, Zircon Hospitality Private Limited (Transferor I), Zircon Hotels Private Limited (Transferor II), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite (Demerged Entity), amalgamated with our Company (Transferee) with the appointed date being October 31, 2020.

The name of our Company was changed to “Suba Hotels Private Limited” on October 11, 2023. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on October 30, 2023, our name was changed to “Suba Hotels Limited” and a fresh certificate of incorporation was issued by the Registrar of Company, Ahmedabad on November 17, 2023. Consequent upon conversion, recording the change in the name of our Company to “Suba Hotels Limited.” For further details in relation to the change in the name and registered office of our Company, see “General Information” beginning on page 74 of this Draft Red Herring Prospectus.

Major Events in the History of our Company

Calendar Year	Events and Milestones
2012	The existing management had acquired Trupti Super caterers & Hotels Private limited
2014	The company started operations of Hotel Suba Elite Vadodara
2015	The company started operations of Click Hotel Bhuj
2016	The company started operations of Click Hotel Junagadh
2020	The company entered into Lease - Revenue share agreement for Bangalore, Aurangabad, Jaipur and Nashik hotels
2022	The company entered into Master Franchise agreement with International Brand – “Choice International”
2023	The company started operations at Pithampur, Vadodara, Bangalore and Bareilly in the brand name of “Click Hotel”
2024	The company started operations at Click Hotel Dubai
2024	Conversion of Company from Private Limited to Public Limited Company.

Changes in Registered Office

Except as disclosed below, there has been no change in the registered office of our Company (since the date of incorporation).

Date of Change	Details of change	Reason(s) for change
November 29, 2012	3, Anna Villa Apartment, Navin Thakkar Road, Opposite Rajpuria Baug, Vile Parle- East, Mumbai 400 057 to 106, Sofia Zuber Road, Nagpada, Mumbai 400 008	Operational and administrative convenience
May 28, 2015	106, Sofia Zuber Road, Nagpada, Mumbai 400 008 to B-2 1004, 10 th floor, Marathon Innova, Ganapatarao Kadam Marg, Lower Parel- West, Mumbai 400 013	Operational and administrative convenience
February 16, 2021	B-2 1004, 10 th floor, Marathon Innova, Ganapatarao Kadam Marg, Lower Parel- West, Mumbai 400 013 to Hotel Suba Star, Judges Bungalow Road, Near Akash Tower, Bodakdev Ahmedabad 380 015	To ensure operational ease, enable greater efficiency and seek new business opportunities

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

“To carry on the business in India or abroad of operating, managing, branding, franchising, advising, online and offline booking & marketing and business ancillary service related to, accommodations including hotels, restaurants, eating houses, swimming pool, guesthouses, motels, lodging and boarding houses, serviced apartments, holiday resorts, co-working spaces, short stays accommodations and such other accommodations of similar nature”

Amendments to the Memorandum of Association in last 10 years

Date of Shareholder's resolution / Effective date	Particulars
June 9, 2014	Increase of the authorised share capital of our Company from ₹2,00,00,000 (Rupees two crore) consisting of 20,00,000 (twenty lakh) Equity Shares of ₹10 each to ₹2,20,00,000 (Rupees two crore twenty lakh) consisting of 22,00,000 (twenty-two lakh) Equity Shares of ₹10 each.
September 22, 2014	Pursuant to the amendment in the Clause I of the Memorandum of Association comprising the name clause of the Company was amended in accordance with the resolution dated September 22, 2014, adopted by the Shareholders to change the name of our Company from "Trupti Caterers & Hotels Private Limited" to "Hotel Suba Star Private Limited"
March 18, 2015	Increase of the authorised share capital of our Company from ₹2,20,00,000 (Rupees two crore twenty lakh) consisting of 22,00,000 (twenty two lakh) Equity Shares of ₹10 each to ₹2,23,00,000 (Rupees two crore twenty three lakh) consisting of 22,30,000 (twenty two lakh thirty thousand) Equity Shares of ₹10 each.
March 18, 2015	Clause III of the Memorandum of Association comprising the object clause of the Company was amended to conform with the requirements of the Companies Act, 2013.
March 17, 2020 (EGM Resolution) February 16, 2021 (Effective Date)	Clause II of the Memorandum of Association comprising the situation clause of the Company was substituted with, "The Registered Office of the Company will be situated in the State of Gujarat within the jurisdiction of Registrar of Companies, Ahmedabad."
Pursuant to NCLT Order dated March 15, 2023	Increase of the authorised share capital of our Company from ₹2,23,00,000 (Rupees two crore twenty-three lakhs only) consisting of 22,30,000 (twenty two lakhs thirty thousand) Equity Shares of ₹10 each to ₹2,98,00,000 (Rupees two Ninety Eight lakhs only) consisting of 29,80,000 (twenty nine lakhs thirty thousand) Equity Shares of ₹10 each.
October 28, 2023	Increase of the authorised share capital of our Company from ₹2,98,00,000 (Rupees two crore ninety eight lakhs only) consisting of 29,80,000 (twenty nine lakhs thirty thousand) Equity Shares of ₹10 each to ₹4,77,00,000 (Rupees four crore seventy seven lakhs only) consisting of 47,70,000 (fourty seven lakhs seventy thousand) Equity Shares of ₹10 each.
November 6, 2023	The name of the Company was changed from "Suba Hotels Private Limited" to "Suba Hotels Limited" pursuant to conversion of the Company from private to public
January 30, 2024	Clause III of the Memorandum of Association comprising the object clause of the Company was substituted with: <i>"To carry on the business in India or abroad of operating, managing, branding, franchising, advising, online and offline booking & marketing and business ancillary service related to, accommodations including hotels, restaurants, eating houses, swimming pool, guesthouses, motels, lodging and boarding houses, serviced apartments, holiday resorts, co-working spaces, short stays accommodations and such other accommodations of similar nature"</i>

Date of Shareholder's resolution / Effective date	Particulars
February 13, 2024	Increase of the authorised share capital of our Company from ₹4,77,00,000 (Rupees four crore seventy-seven lakhs only) consisting of 47,70,000 (forty-seven lakhs seventy thousand) Equity Shares of ₹10 each to ₹40,00,00,000 (Rupees forty crores only) consisting of 4,00,00,000 (four crore) Equity Shares of ₹10 each.

Significant financial and strategic partnerships

Except as disclosed below, our Company does not have any significant financial or strategic partnerships:

Time/cost overrun in setting up projects

There has been no time or cost over-run in respect of our business operations.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "Our Business" on page 155 of this Draft Red Herring Prospectus.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets.

Scheme of Amalgamation and Demerger of Zircon Hotels Private Limited ("Transferor I"), Zircon Hospitality Private Limited ("Transferor II"), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite ("Demerged Entity") of Suba Palace Private Limited ("Transferor III") with Hotel Suba Star Private Limited ("Transferee") ("Scheme")

Pursuant to an order dated March 15, 2023, the National Company Law Tribunal, Ahmedabad sanctioned a scheme of amalgamation under Sections 230 to 232 of the Companies Act 2013, whereby Transferor I, Transferor II and the Demerged Entity amalgamated with our Company. The appointed date for the merger was October 31, 2020. Upon implementation of the Scheme, the entire undertaking of the Transferor I, Transferor II, including all property, liabilities, duties and rights were transferred to and vested in the Transferee. Pursuant to the Scheme, every shareholder of Transferor I was allotted 119 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor I. Similarly, every shareholder of Transferor II was allotted 58 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor II. Further, the Demerged Entity was demerged from the Transferor III and was transferred to the Transferee on a going concern basis.

Details of shareholders' agreements

Our Company does not have any subsisting shareholders' agreement among our Shareholders vis-à-vis our Company.

Agreements with Promoters, Key Managerial Personnel, Directors or any other employee

Except as disclosed in **Our Management - Employment or Service Agreement with our Director** on page 188. There are no agreements entered into by our Promoters, Key Managerial Personnel or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party

Holding company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Joint ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any Joint Venture.

Subsidiary

Except as mentioned in the chapter titled “*Our Subsidiaries*” on page 186 of this Draft Red Herring Prospectus, our Company does not have any other Subsidiaries.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has two (2) Subsidiaries, namely Suba Hospitality FZCO and Click Rooms Hotel Management LLC. Set out below are details of our Subsidiary Companies:

Suba Hospitality FZCO

Corporate Information

Suba Hospitality FZCO was incorporated as a Free Zone Company with Limited Liability pursuant to Law No. 16 of 2021 by H. H. Ruler of Dubai and Implementing Regulations issued there under by the Dubai Integrated Economic Zones Authority (“**DIEZA**”) on June 7, 2024. The table below sets forth more information:

Registration Number	DSO-FZCO-44355
Date of Incorporation	June 7, 2024
PAN	N.A.
Registered Office	IFZA Business Park, DDP, PO Box 342001, Dubai, United Arab Emirates

Nature of Business

Suba Hospitality FZCO is established with the object to invest in Commercial Enterprises & Management.

Capital Structure

Name of the Shareholder	Class of Shares	Paid-up amount	Value of Shares	% of Shares Owned
Suba Hotels Limited	Ordinary	AED 10000	AED 10000	100%

The Company's officers

The officers of Suba Hospitality FZCO are:

Name	Designation
Mansur Mehta	Secretary Director
Mubeen Mehta	General Manager Representative

Click Rooms Hotel Management LLC

Corporate Information

Click Rooms Hotel Management LLC was incorporated as an LLC with Limited Liability pursuant to Federal Decree-Law No. (32) of 2021 on October 26, 2021. The table below sets forth more information.

Registration Number	997201
Date of Incorporation	October 26, 2021
PAN	N.A.
Registered Office	Grand Square Hotel, 31D Street, Naif Road, Deira, Dubai, United Arab Emirates, P.O. 80666

Note - Acquired by Suba Hotels Limited effective from January 01, 2024

Nature of Business

Click Rooms Hotel Management is established with the object of managing hotels.

Capital Structure

Name of the Shareholder	Class of Shares	Paid-up amount	Value of Shares	% of Shares Owned
Suba Hotels Limited	Ordinary	AED 100,000	AED 100,000	100%

The Company's officers

The Company's officers of Click Rooms Hotel Management LLC are:

Name	Designation
Mohammed Bilal Mohamed Shafi Memon	Representative

There is no amount of accumulated profits or losses of the Subsidiaries not accounted for by the Issuer

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our AOA, Our Company must have a minimum of 3 (three) Directors and not more than fifteen (15) directors. As on the date of this Draft Red Herring Prospectus, our Board consists of six (6) Directors including three (3) Executive Directors and three (3) Independent Directors, out of which one (1) is a Woman Director. The present composition of our Board of Directors and its committees are in accordance with the Companies Act. The Chairman of our Board, Mansur Mehta, is an Executive Director.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
Mansur Mehta Date of birth: January 2, 1967 Age (years): 57 Address: Flat number 3003, 30 th floor, C Wing, Viverea building, Sane Guruji Marg, Jacob Circle, Mumbai 400 011 Occupation: Business Term: of Three (3) years from February 12, 2024, to February 11, 2027 Period of directorship: Since November 28, 2012 DIN: 01643019	Chairman and Managing Director	<i>Indian Companies</i> <ul style="list-style-type: none"> • Onyx Hotels Private Limited • Hotel Suba Palace Private Limited • Coldrush Logistics Private Limited • Suba Hospitality Private Limited • Click Hotels Private Limited <i>Foreign Companies</i> <ul style="list-style-type: none"> • Suba Holdings Pte Limited • Suba Hospitality FZCO
Mubeen Mehta Date of birth: December 8, 1991 Age (years): 32 Address: Flat number 3003, 30 th floor, C Wing, Viverea building, Sane Guruji Marg, Jacob Circle, Mumbai 400 011 Occupation: Business Term: of Three (3) years from February 12, 2024, to February 11, 2027 Period of directorship: Since November 28, 2012 DIN: 03156531	Whole-Time Director and Chief Executive Officer	<i>Indian Companies</i> <ul style="list-style-type: none"> • Onyx Hotels Private Limited • Suba Realty Private Limited • Hotel Suba Palace Private Limited • Coldrush Logistics Private Limited • Suba Hospitality Private Limited • Click Hotels Private Limited • Tesc Logistics Solutions Private Limited <i>Foreign Companies:</i> <ul style="list-style-type: none"> • Suba Holdings Pte Limited
Girish Bhatt Date of birth: October 21, 1958	Executive Director	<i>Nil</i>

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<p>Age (years): 65</p> <p>Address: A 102, Makwana Building, Phiroz Shah Mehta Road, Vile Parle East, Mumbai 400 057</p> <p>Occupation: Professional</p> <p>Period of directorship: Since October 4, 2023</p> <p>DIN: 05192309</p>		
<p>Chandrashekar Payannavar</p> <p>Date of birth: November 5, 1959</p> <p>Age (years): 64</p> <p>Address: Gladys Alwares, Road off Pokhran Road, No 2, Thane (West) 400 610</p> <p>Occupation: Professional</p> <p>Term: Five (5) years from February 12, 2024, to February 11, 2029</p> <p>Period of directorship: Since February 12, 2024</p> <p>DIN: 00420108</p>	Independent Director	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Manoj Ceramic Limited • Pune Sholapur Road Development Company Limited
<p>Nidhi Shah</p> <p>Date of birth: December 18, 1998</p> <p>Age (years): 25 years</p> <p>Address: Near Lions Club, V.P. Road, Mulund Maharashtra - 400080</p> <p>Occupation: Professional</p> <p>Term: Five (5) Years from June 4, 2024, to June 3, 2029</p> <p>Period of directorship: Since June 4, 2024</p> <p>DIN: 10503099</p>	Independent Director	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Engro Technologies Limited
<p>Sunil Patel</p> <p>Date of birth: December 27, 1960</p>	Independent Director	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Manoj Ceramic Limited • Sikar Bikaner Highway Limited

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
Age (years): 63 Address: 901, Earth Galaxy, Dr Ambedkar Road, Dadar (East), Mumbai 400 014 Occupation: Professional Term: Five (5) year from February 12, 2024, to February 11, 2029 Period of directorship: Since February 12, 2024 DIN: 00420108		<ul style="list-style-type: none"> • Moradabad Bareilly Expressway Limited • Hazaribagh Ranchi Expressway Limited

Brief profiles of our directors

Mansur Mehta is the Chairman and Managing Director of our Company. He holds a bachelor's degree in commerce from KC College, Mumbai in 1988. He has been associated with our Company since November 28, 2012, as a Director and Promoter of our Company. He possesses over more than 30 years of experience in the logistics industry and, he is having more than 14 years of experience in the line of business in which our Company operates. He currently looks after the day-to-day affairs of the Company and contributes to the overall growth and expansion of the Company.

Mubeen Mehta is a Whole-Time Director and CEO of our Company. He holds a bachelor's degree in commerce from The Arunachal University of Studies in 2019 and a certificate in "Building the Human Capital Base: Essential Human-Resources Practices for Managers" from Cornell School of Hotel Administration – Cornell University in 2014. He has been associated with our Company since November 28, 2012, as a Whole-time Director and CEO of the Company. He possesses over 10 years of experience in the logistics industry. He oversees the operational management and contributes to the overall growth and expansion of the Company.

Girish Somnath Bhatt is an Executive director of our Company. He holds a bachelor's degree in commerce from Lala Lajpat Rai College of Commerce and Economics, Mumbai in 1978. He has been associated with our Company since October 4, 2023, as a Non-Executive Director of our Company. He possesses over 30 years of experience in the field of accounting and finance. He oversees financial reporting, budgeting and drives operational efficiencies to support business growth. Previously he was associated with Mehta Roadlines as Senior Manager in Accounts and Finance.

Chandrashekar Payannavar is an Independent Director of our Company. He holds a bachelor's in science from the University of Bombay in 1980, master's in science (Biochemistry) in 1982, master's in marketing management from Mumbai University in the year 1994. He is also a doctor in philosophy in Bio-Chemistry from Mumbai University from the year 1988. He has been associated with our Company since February 12, 2024. He possesses over 25 years of experience in strategic management in commercial operations and he has previously worked as a consultant and strategic advisor to the CEO of PTS Diagnostics, Bangalore, and was the country head and General Manager at Johnson & Johnson Limited and as an Area Business Manager at Beckman Coulter.

Nidhi Shah is a Independent Director of our Company. She was enrolled in the Bachelor of Commerce Course from the University of Mumbai and passed her examination in the year 2019. She further passed her Chartered Accountancy examination held by ICAI in the year 2021 with the 45th rank and her Professional Programme Examination held by ICSI where she obtained 6th rank in June 2019. She has been associated with our Company since June 04, 2024. She has previously worked as a Senior Manager of Corporate Banking in RBL Bank for a period of two years.

Sunil Patel is an Independent Director of our Company. He holds a bachelor's degree in law from Mumbai University in the year 1985 along with a diploma in tax management from the Institute of Chartered Accountants of India in the year 1988. He has been associated with our Company since February 12, 2024. He possesses over

10 years of experience in accountancy. He oversees financial reporting and tax compliance of the Company.

Details regarding directorship of Our Directors in listed companies

None of our Directors is or was a director of any listed company whose shares have been or were suspended from trading on any stock exchange in India during the term of their directorship in such companies, in the last five years preceding the date of this Draft Red Herring Prospectus

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges, during the term of their directorship in such Companies.

None of our Directors have been declared as wilful defaulters or fraudulent borrowers.

Relationship between Directors and Key Managerial Personnel

Other than Mansur Mehta and Mubeen Mehta who are related to each other as father and son, none of our Directors, Key Managerial Personnel or Senior Management Personnel are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors, Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, please see "*History and Certain Corporate Matters*" on page 182 of this Draft Red Herring Prospectus.

Employment or Service Agreement with our Director

None of the Directors, except for those mentioned below, have entered into a service agreement nor any formal employment agreement with our Company, setting out the terms of their appointment, retirement, remuneration, etc.

- a. Mansur Mehta, our Chairman and Managing Director has entered into a service agreement with our Company, setting out his terms of appointment, retirement, remuneration, etc.
- b. Mubeen Mehta, our Whole-Time Director and CEO has entered into an agreement with our Company setting out his terms of appointment, retirement, remuneration, etc.

The terms of appointment and remuneration of our directors were determined by way of the respective Board and Shareholders resolution approving their appointments.

Details of Borrowing Powers

Pursuant to our Articles of Association and the provisions of the Companies Act and the rules framed thereunder, our Board and Shareholders vide resolution dated December 1, 2023 and December 5, 2023, authorised our Company to raise or borrow funds or any sums of monies which together with the money already borrowed, not exceeding ₹500 Crores.

Terms of Appointment of our Managing Director & Whole-Time Director

The remuneration/compensation package payable to the Managing Director and Whole-Time Director from FY 2023-24 onwards as resolved in the Extra-Ordinary General Meeting held on February 13, 2024, is stated hereunder:

Mansur Mehta, Managing Director

Subsequent to his appointment as the Managing Director of the Company, and subject to applicable law, he is eligible for

- (i) monthly remuneration of ₹2,50,000;
- (ii) gratuity payable shall not exceed half a month's remuneration for each completed year of service, subject to completion of 5 (five) years of service;
- (iii) he shall be eligible for a bonus as per the policy of the Company;
- (iv) the Company shall also provide perquisites and allowances as per the policy of the Company.

Mubeen Mehta, Whole Time Director

Subsequent to his appointment as the Whole Time Director of the Company, and subject to applicable law, he is eligible for

- (i) monthly remuneration of ₹2,00,000;
- (ii) gratuity payable shall not exceed half a month's remuneration for each completed year of service, subject to completion of 5 (five) years of service;
- (iii) he shall be eligible for a bonus as per the policy of the Company; and
- (iv) the Company shall also provide perquisites and allowances as per the policy of the Company.

Terms of appointment of our Non-executive Directors (including Independent Directors)

Our Independent Directors will be entitled to receive sitting fees for attending meetings of the Board and committee meetings as resolved in the Extra-Ordinary General Meeting held on February 13, 2024, which is stated hereunder:

Sr. no.	Name of the Director	Particulars
1	Sunil Patel	Sitting fee of Rs. 1,50,000 p.a. (excluding reimbursement of expenses and taxes) provided that the amount shall not exceed Rs. 1,00,000 per meeting
2	Chandrashekar Payannavar	Sitting fee of Rs. 1,50,000 p.a. (excluding reimbursement of expenses and taxes) provided that the amount shall not exceed Rs. 1,00,000 per meeting
3	Nidhi Shah	Sitting fee of Rs. 1,50,000 p.a. (excluding reimbursement of expenses and taxes) provided that the amount shall not exceed Rs. 1,00,000 per meeting

Contingent and/or deferred compensation payable to our Directors, Key Managerial Personnel and Senior Management

There are no contingent or deferred compensation payable to our Executive Directors which does not form part of his remuneration.

Remuneration paid or payable to our Directors from our Subsidiaries

Our Company has not paid any remuneration to the Directors of our subsidiaries as on date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of our Directors

The shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus is as follows:

Name of Directors	Number of Equity Shares held	Percentage of Equity Share Capital (%)
Mansur Mehta	68,30,729	39.16
Mubeen Mehta	2,76,969	1.59

Our Articles of Association do not require our Directors to hold any qualification shares.

For further details, see to “*Capital Structure*” on page 83 of this Draft Red Herring Prospectus.

Interest in property

None of our Directors are interested in any property acquired or proposed to be acquired by our Company

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company for attending meetings of our Board or committees thereof.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares.

None of our Directors have availed any loan from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in promotion or formation of our Company

Click Hotels Private Limited, Mansur Mehta and Mubeen Mehta are the Promoters of our Company. For further details regarding our promoters, see “*Our Promoters and Promoter Group*” on page 201 of this Draft Red Herring Prospectus.

Business interest

Except as stated in the section titled “*Restated Financial Information – Related Party Transactions*” on page 210 of this Draft Red Herring Prospectus, our Directors do not have any other business interest in our Company.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our Company nor any of our Directors have been declared as fraudulent borrowers by the RBI in terms of the RBI circular dated July 1, 2016.

Changes in our Board during the last three years

The changes in our Board of our Company during the last three years till the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date of Appointment	Date of Change in designation	Date of Cessation	Reason
Nidhi Shah	-	June 17, 2024	-	Change in designation to Independent Director
Nidhi Shah	June 06, 2024	-	-	Appointment as Additional Director
Girish Somnath Bhatt	June 04, 2024	-	-	Appointment as Executive Director
Mubeen Mehta	-	February 12, 2024	-	Change in designation from Executive Director to Whole-Time Director
Mansur Mehta	-	February 12, 2024	-	Change in designation from Executive Director to Chairman and Managing Director
Chandrashekar Payannavar	-	February 13, 2024	-	Change in designation from Additional Independent Director to Independent Non-Executive Director
Sunil Patel	-	February 13,	-	Change in designation

Name of Director	Date of Appointment	Date of Change in designation	Date of Cessation	Reason
		2024		from Additional Independent Director to Independent Non-Executive Director
Chandrashekar Payannavar	February 12, 2024	-	-	Appointment as Additional Independent Director
Sunil Patel	February 12, 2024	-	-	Appointment as Additional Independent Director
Girish Somnath Bhatt	-	October 5, 2023	-	Change in designation to Non- Executive Director
Girish Somnath Bhatt	October 04, 2023	-	-	Appointment as Additional Director
Shabnam Mehta	-	-	March 22, 2023	Resignation due to other pre-occupancies

Corporate Governance

Our Board of Directors presently consists of six (6) Directors including three (3) Executive Directors, and three (3) Independent Directors, out of which one (1) is a Woman Director. The present composition of our Board of Directors and its committees is in accordance with the Companies Act. The Chairman of our Board, Mansur Mehta, is an Executive Director.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act in relation to the composition and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, as may be applicable.

Committees of our Board

Our Board has constituted the following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee; and
- Corporate Social Responsibility Committee.

Details of each of these Committees are as follows:

a) Audit Committee

The Audit Committee was constituted pursuant to a meeting of our Board held on June 28, 2024

The Audit Committee currently consists of:

- Chandrashekar Payannavar (*Chairperson*);
- Nidhi Shah (Member) and
- Mubeen Mehta (*Member*).

Further, the Company Secretary of our Company shall act as the secretary to the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C, which is set out below;

1. oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of our auditors;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board of Director's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report.
5. reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Scrutiny of inter-corporate loans and investments
9. Valuation of undertakings or assets of the company, wherever necessary
10. Evaluation of internal financial controls and risk management systems
11. Reviewing, with management, performance of statutory and internal auditors, adequacy of internal control systems
12. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on
14. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
15. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
16. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment of any other services
18. to review the functioning of the whistle blower mechanism;
19. to formulate, review and make recommendations to the Board to amend the Audit Committee Charter from time to time
20. Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
23. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and on the shareholders;
24. Such roles or functions as may be prescribed under the Companies Act, 2013.

A. Mandatory review by the Audit Committee: The Audit Committee shall mandatorily review the following:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor;
6. statement of deviations involving:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
 - (b) annual statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
7. Any other responsibility as may be assigned by the board from time to time.

b) Nomination and Remuneration Committee:

The Nomination and Remuneration committee was constituted by a resolution of our Board dated June 28, 2024.

The Nomination and Remuneration Committee currently consists of:

- a) Chandrashekar Payannavar (*Chairperson*);
- b) Sunil Patel (*Member*); and
- c) Nidhi Shah (*Member*)

The scope, functions, and the terms of reference of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Nomination and Remuneration Committee includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board of Directors and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board of Directors for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
4. devising a policy on diversity of Board of Directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
7. recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management.
8. Carrying out other functions as is mentioned in the terms of reference of the Nomination and Remuneration Committee
9. Such roles or functions as may be prescribed under the Companies Act, 2013
10. Any other responsibility as may be assigned by the Board from time to time

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a meeting of our Board held on June 28, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

- a) Chandrashekhar Payannavar (*Chairperson*);
- b) Girish Somnath Bhatt (*Member*); and
- c) Mubeen Mehta (*Member*)

Role of Stakeholders' Committee

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

1. resolving the grievances of the security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.
5. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities.
6. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
7. Carrying out any other function as is mentioned in the terms of reference of the Stakeholder's Relationship Committee
8. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

d) Corporate Social Responsibility Committee

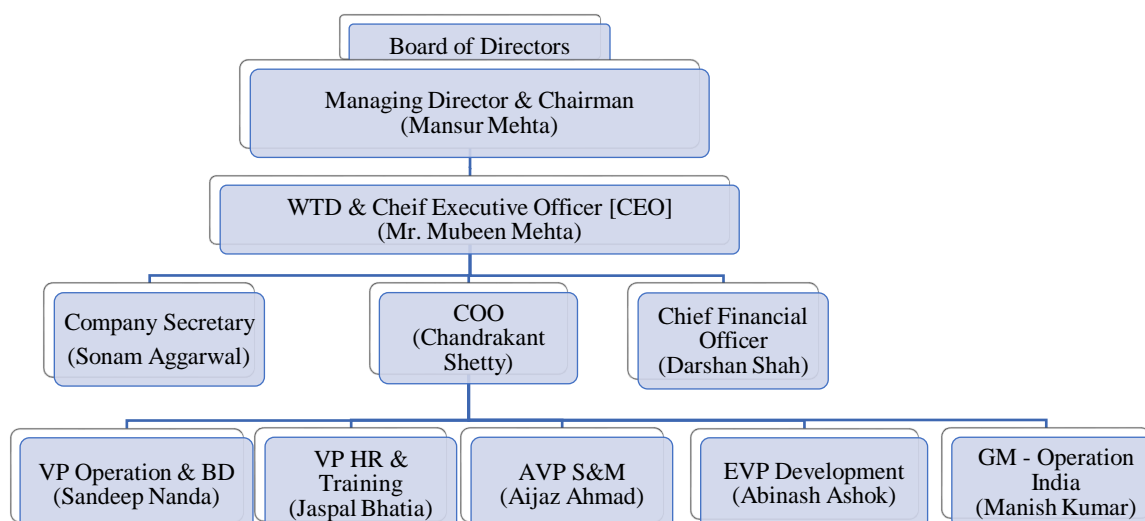
The CSR Committee was constituted by a resolution of our Board dated June 28, 2024. The current constitution of the CSR Committee consists of:

- a) Chandrashekar Payannavar (*Chairperson*);
- b) Mubeen Mehta (*Member*); and
- c) Mansur Mehta (*Member*);

The scope and functions of the corporate social responsibility committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated pursuant to our Board resolution dated August 09, 2024 are set forth below:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as per Companies Act, 2013
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company
3. To monitor the CSR policy of the Company
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors as may be directed from time to time

Management Organization Structure



Key Managerial Personnel

Except Mubeen Mehta, who is the Whole-Time Director and CEO, and Mansur Mehta, who is the Managing Director of our Company, the details of our Key Managerial Personnel and Senior Management Personnel, as on the date of this Draft Red Herring Prospectus are set forth below.

Darshan Shah is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the University of key since 2007 and has passed his Chartered Accountancy examination held by ICAI in the year 2013. Further, he obtained NSE's Certification in Financial Markets and BSE's Certification on CDSL Training Programme for Internal and Concurrent Auditors of DPs in 2007. He has experience of over 17 years of working in various areas such as Indirect & Direct Taxation, Accounting Auditing and Project Finance. He has previously worked as Chief Financial Officer at Vaidya Sane Ayurved Laboratories Limited (Madhav Baug) & Joy Realty Limited.

Sonam Aggarwal is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree from the Chaudhary Charan Singh University, in the year 2018. She has been associated with our Company since December 15, 2023. She has been admitted as a fellow of The Institute of Company Secretaries of India since June 05, 2018. She possesses over 8 years of experience in secretarial matters. She has previously worked as a company secretary in Celestica (India) Private Limited and Sabarimala Industries India Limited

Senior Management Personnel

Chandrakant Shetty is the Chief Operations Officer of our Company. He holds a diploma in Hospitality Management and Catering Operations from the Rizvi Academy since 2000. He completed over five courses held by the Educational Institute of the American Hotel & Motel Association, such as Managing for Quality in the Hospitality Industry in 2000, Food and Beverage Industry in 1999, Hospitality Sales and Marketing in 2000. He has been associated with our Company since October 11, 2023, and possesses over 20 years of experience in the field of Hospitality. He has previously worked as a Chief Operations Officer at VITS, Mumbai; and CEO at Vitizen Hotels Limited.

Abinash Ashok is the Vice President – Hotel Operations and Development of our Company. He holds a bachelor's degree in technology (Home Science) from Nagpur University since the year 1999. He has been associated with our Company since October 11, 2023. He possesses over 12 years of experience in the hospitality industry. He has previously worked as a General Manager in Onyx Hotels Private Limited and in Peppermint Hospitality India Private Limited.

Aijaz Ahmad is the Associate Vice President – Sales and Marketing India of our Company. He holds a bachelor's degree in arts from Aligarh Muslim University from the year 2006. He also holds a master's in business administration degree from Uttar Pradesh Technical University from the year 2009. He has been associated with our Company since September 4, 2023. He possesses over 12 years of experience in the corporate client

acquisition and Leisure. He has previously worked as an Assistant Manager – Sales at Royal Orchid Hotels Limited, Mumbai; and Assistant Vice President – Sales (West & East) at Royal Orchid Hotels Limited, Mumbai; and as a Sales Executive at Leo Meridian Infrastructure Projects & Hotels Limited.

Jaspal Bhatia is the Vice President – Operations and Human Resources of our Company. He holds a diploma in hotel management from National Council for Hotel Management and Catering Technology, New Delhi from the year 1994. He holds a bachelor's degree in arts from University of Delhi from the year 2004. Further, he holds a diploma in labour laws with administrative law from the year 2007 from Annamalai University. He has been associated with our Company since October 11, 2023, and possesses over 15 years of experience in Training and Brand standards. He has previously worked in as General Manager – Human Resource at Choice Hospitality (India) Private Limited and Assistant Manager-Training in Taj Palace hotel.

Sandeep Nanda is the Executive Vice President – Business Development of our Company. He holds a diploma in hotel management catering and nutrition from Board of Technical Education, Delhi from the year 1988. He has been associated with our Company since October 11, 2023, and possesses over 25 years of experience in Business Development. He has previously worked as a Vice President - Operations at Choice Hospitality (India) Private Limited.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

Other than the statutory benefits that the KMPs and SMPs are entitled to, upon their retirement, the Key Managerial Personnel and Senior Management Personnel of our Company as detailed in their respective appointment letters, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Interest of Key Managerial Personnel and Senior Management Personnel

Other than to the extent of the remuneration, benefits, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management Personnel have no other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Compensation and/or benefits to our Key Managerial Personnel and Senior Management Personnel

No amount of compensation has been paid, and/or benefits granted to our Key Managerial Personnel and Senior Management Personnel during the last financial year, on an individual basis by the Company for the services provided by our Key Managerial Personnel and Senior Management Personnel in all capacities, including contingent or deferred compensation accrued for the year and payable at a later date, which does not form part of their remuneration.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel

There is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Changes in Key Managerial Personnel or Senior Management Personnel during the last three years

Particulars	Date of Change	Reason
Darshan Shah	June 04, 2024	Appointment as Chief Financial Officer
Meghal Shah	June 04, 2024	Resignation as Chief Financial Officer
Mubeen Mehta	February 12, 2024	Appointment as CEO
Mubeen Mehta	February 12, 2024	Change in designation from Executive Director to Whole-Time Director
Mansur Mehta	February 12, 2024	Change in designation from Executive Director to Chairman and Managing Director
Meghal Shah	February 12, 2024	Appointment as Chief Financial Officer
Sonam Aggarwal	December 15, 2023	Appointment as Company Secretary and Compliance Officer

Attrition of Key Managerial Personnel and Senior Management Personnel

The attrition of Key Managerial Personnel and Senior Management Personnel of our Company is not higher than that compared to our industry.

Employee Stock Options and Stock Purchase Schemes

As on date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

Payment or Benefit to Key Managerial Personnel and Senior Management Personnel of our Company

No non-salary related amount or benefit has been paid or given to any officers of our Company, including Key Managerial Personnel and Senior Management Personnel since its incorporation or is intended to be paid or given, as on the date of filing of this Draft Red Herring Prospectus other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Click Hotels Private Limited;
2. Mansur Mehta; and
3. Mubeen Mehta

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 1,44,95,503 Equity Shares in our Company, representing 83.10% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis. For further details, see “*Capital Structure -Shareholding of our Promoters and Promoter Group*”, on page 83 of this Draft Red Herring Prospectus.

Details of our Individual Promoters



Mansur Mehta

Mansur Mehta, aged 57 years, is one of the Promoters and is also the Chairman and Managing Director of our Company.

For a complete profile of Mansur Mehta i.e. his date of birth, age, residential address, education qualification, professional experience and the posts held in the past, directorship held, and other ventures, see “*Our Management*” on page 188 of this Draft Red herring Prospectus.

PAN: AAEPM6529N



Mubeen Mehta

Mubeen Mehta, aged 32 years, is one of the Promoters and is also the Whole-Time Director and CEO of our Company.

For a complete profile of Mubeen Mehta i.e. his date of birth, age, residential address, education qualification, professional experience and the posts held in the past, directorship held, and other ventures, see “*Our Management*” on page 188 of this Draft Red herring Prospectus.

PAN: BBOPM4342M

Interest in other Entities:

Mansur Mehta	Mubeen Mehta
Onyx Hotels Private Limited	Onyx Hotels Private Limited
Hotel Suba Palace Private Limited	Suba Realty Private Limited
Coldrush Logistics Private Limited	Coldrush Logistics Private Limited
Suba Hospitality Private Limited	Suba Hospitality Private Limited
Click Hotels Private Limited	Click Hotels Private Limited

Mansur Mehta	Mubeen Mehta
Suba Holdings Pte Limited	Tesc Logistics Solutions Private Limited
Suba Hospitality FZCO	Suba Holdings Pte Limited
Mehta Roadlines (Partnership firm)	Mehta Roadlines (Partnership firm)

For the other ventures of our Promoters, please see “*Our Management*” on page 188 of this Draft Red Herring Prospectus

Our Company confirms that the Permanent Account Numbers, Bank Account Numbers, Passport Numbers, the Aadhar Card numbers and Driving License numbers of Mansur Mehta and Mubeen Mehta shall be submitted to the Designated Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Our Corporate Promoter

Click Hotels Private Limited

Corporate Information

Click Hotels Private Limited was incorporated on February 23, 2018 under the Companies Act and has its registered office at B2/1004, Marathon Innova, Ganapatrao Kadam Lane, Opp. Peninsula Park, Lower Parel (West), Mumbai, Maharashtra 400 013.

Click Hotels Private Limited is engaged in the business of establishing and operating hotels, motels, resorts, etc; franchising and marketing of hotels, motels, resorts, etc; and providing consultation for other companies in the same industry.

As on the date of this Draft Red Herring Prospectus, the shares of Click Hotels Private Limited are not listed on any of the stock exchange.

The shareholding pattern of Click Hotels Private Limited as on the date of this Draft Red Herring Prospectus is given below:

Name of Shareholders	Number of Equity Shares	Shareholding (%)
Mansur Mehta	10,19,439	99.94
Shabnam Mehta	255	0.03
Mubeen Mehta	204	0.02
Hamidabanu Mehta	102	0.01
Total	10,20,000	100.00

The Promoters of Click Hotels Private Limited as on the date of this Draft Red Herring Prospectus are Mansur Mehta and Mubeen Mehta.

As on date of this Draft Red Herring Prospectus, there has been no change in the control of Click Hotels Private Limited in the three years preceding the date of filing this Draft Red Herring Prospectus

The Board of Directors of Click Hotels are mentioned below:

Name	Designation
Mansur Mehta	Director
Mubeen Mehta	Director

For details of the shareholding of directors of Click Hotels Private Limited in our Company, please see “*Capital Structure- Aggregate Shareholding of Promoters and Promoter Group*” on page 83 of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, company registration number and the address of the registrar of companies where our Corporate Promoter is registered, will be submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus.

Changes in Management and control of our Company

There was no change in control of our Company during three years immediately preceding the date of filing of this Draft Red Herring Prospectus.

Interest of our Promoters

1. Except mentioned herein, the Corporate Office is taken on lease from our Promoters Mansur Mehta, Mubeen Mehta and one of our promoter group member Shabnam Mehta does not have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. For further details, please refer to chapter titled “*Our Management*” beginning on page 188 respectively of this DRHP.
2. Promoters are interested in our Company to the extent that they have promoted our Company.
3. Our Promoters, Mansur Mehta, and Mubeen Mehta, who are also the Directors of our Company may be interested to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of their appointment, the Articles of Association of our Company and relevant provisions of the Companies Act. Further, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus. For more details, please see “*Our Management*” and “*Financial Information*” on pages 188, and 210 respectively of this Draft Red Herring Prospectus.
4. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For more details, please see “*Capital Structure*” on page 83 of this Draft Red Herring Prospectus.
5. No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.
6. Our Promoters are also directors on the boards or are shareholders, members of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see “*Financial Information*” beginning on page 210 of this Draft Red Herring Prospectus.
7. Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.
8. As on the date of filing of this Draft Red Herring Prospectus, our Promoters are not interested in any transaction for acquisition of land, construction of buildings and supply of machinery.

Experience in the business of our Company

Our Promoters have adequate experience in the business of our Company.

Material Guarantees

Other than as disclosed in “*Financial Indebtedness*” on page 242 of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company on behalf of the Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of Promoter	Entity Disassociated With	Date of Dissociation
1	Mansur Mehta	Vitastays Private Limited	May 19, 2023
2	Mubeen Mehta	Vitastays Private Limited	May 19, 2023
3		Plot Pioneer LLP	December 22, 2023
4		Abdulrehman Acres LLP	December 22, 2023
5		Khaleej Acres LLP	October 07, 2023

Confirmations

Our Promoters, their relatives and members of the Promoter Group have not been declared as Wilful Defaulters or Fraudulent Borrowers and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not promoters or directors of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed under the chapter titled “***Outstanding Litigation and Material Developments***” on page 253 of the Draft Red Herring Prospectus there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, except the Promoters, as set out below:

(1) *Individuals forming part of our Promoter Group:*

Sr. No.	Name of the Individuals	Relationships
Mansur Mehta		
1.	Late. Abubaker Mehta	Father
2.	Hamidaboo Mehta	Mother
3.	Shabana Patel	Sister
4.	Razia Patel	Sister
5.	Rashida Mojawala	Sister
6.	Shabnam Mehta	Spouse
7.	Mubeen Mehta	Son
8.	Rahima Mehta	Daughter
9.	Late. Zuber Patel	Spouse's Father
10.	Mehrunnisa Patel	Spouse's Mother
11.	Imran Patel	Spouse's Brother
12.	Naseem Badshah	Spouse's Sister
13.	Kausar Aghadi	Spouse's Sister
Mubeen Mehta		
14.	Mansur Mehta	Father
15.	Shabnam Mehta	Mother
16.	Rahima Mehta	Sister
17.	Hajra Mehta	Spouse
18.	Hamdaan Mehta	Son
19.	Hamza Mehta	Son
20.	Parvez Sopariwala	Spouse's Father
21.	Rizwana Sopariwala	Spouse's Mother
22.	Tabrez Sopariwala	Spouse's Brother

(2) *Companies, Firms, Entities and HUFs forming part of our Promoter Group:*

Other than Our Corporate Promoter, the following entities form part of Our Promoter Group (other than our Promoters):

Sr. No.	Name of the Entities
1.	Hotel Suba Palace Private Limited
2.	Suba Hospitality Private Limited
3.	Suba Realty Private Limited
4.	Coldrush Logistics Private Limited

Sr. No.	Name of the Entities
5.	Mehta Roadlines (Partnership Concern)
6.	Rapid Transport Corporation (Partnership Concern)
7.	Rapid Transport Agency (Partnership Concern)
8.	Patel Logistics Private Limited
9.	Rapid Transport Corporation Private Limited
10.	1589 Hotels Private Limited
11.	Suba Holdings Pte Limited

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled “*Capital Structure*” beginning on page 83 of this Draft Red Herring Prospectus.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards, 'group companies' of our Company shall include (i) the companies (other than our Subsidiaries and Promoter, as applicable) with which there were related party transactions, in accordance with AS 18, as disclosed in the Restated Consolidated Financial Information; and (ii) such other companies as considered material by our Board pursuant to the materiality policy.

For the purposes of (ii) above, our Board in its meeting held on June 04, 2024 has approved that such companies that are a part of the promoter group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year and stub period, if any, to be included in the issue Documents ("**Test Period**"), which individually or in the aggregate, exceed 10% of the total restated consolidated Revenue from Operations of our Company for the Test Period, shall also be classified as group Company. Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has identified the following Group Companies:

1. Hotel Suba Palace Private Limited
2. Onyx Hotels Private Limited
3. Suba Realty Private Limited
4. 1589 Hotels Private Limited
5. Suba Hospitality Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our top five Group Companies for the previous three Financial Years, extracted from their respective audited financial statements (as applicable), are required to be hosted on the websites of the respective Group Companies. Such financial information of the Group Companies and other information provided on their respective websites does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of the information that any investor should consider before making any investment decision. Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

A. Details of our Group Companies:

1. *Hotel Suba Palace Private Limited ("HSPPL"):*

Brief Corporate Information

Hotel Suba Palace Private Limited was incorporated on September 28, 2011 under the Companies Act, 2013 pursuant to fresh certificate of incorporation issued by Registrar of Companies, Mumbai, Maharashtra. The CIN of HSPPL is U55204MH2011PTC222504. The registered office of HSPPL is situated at Appollo Bunder, near Gateway of India, Colaba, Mumbai 400039.

Financial Information

Certain financial information derived from the audited financial statements of HSPPL for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively, as required by the SEBI ICDR Regulations, is available on our website at <https://www.subahotels.com/>.

2. *Onyx Hotels Private Limited ("OHPL"):*

Brief Corporate Information

Onyx Hotels Private Limited was incorporated on September 01, 2010 under the Companies Act, 2013 pursuant to fresh certificate of incorporation issued by Registrar of Companies, Mumbai, Maharashtra. The CIN of OHPL is U55204MH2010PTC207351. The registered office of OHPL is situated at B2/1004, Marathon Innova, Ganapatrao Kadam Lane opposite Peninsula Park, Lower Parel (west), Mumbai 400013.

Financial Information

Certain financial information derived from the audited financial statements of OHPL for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively, as required by the SEBI ICDR

Regulations, is available on our website at <https://www.subahotels.com/>.

3. *Suba Realty Private Limited ("SRPL"):*

Brief Corporate Information

Suba Realty Private Limited was incorporated on December 29, 2010 under the Companies Act, 2013 pursuant to fresh certificate of incorporation issued by Registrar of Companies, Mumbai, Maharashtra. The CIN of SRPL is U45201MH2010PTC211558. The registered office of OHPL is situated at B2/1004, Marathon Innova, Ganapatrao Kadam Lane opposite Peninsula Park, Lower Parel (west), Mumbai 400013

Financial Information

Certain financial information derived from the audited financial statements of SRPL for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively, as required by the SEBI ICDR Regulations, is available on our website at <https://www.subahotels.com/>.

4. *1589 Hotels Private Limited (1589 Hotels)*

Brief Corporate Information

1589 Hotels Private Limited was incorporated on July 08, 2014 under the Companies Act, 2013 pursuant to fresh certificate of incorporation issued by Registrar of Companies, Delhi. The CIN of 1589 Hotels is U55101DL2014PTC268696. The registered office of 1589 Hotels is situated at Room No.254, 2nd Floor, C-33 Lawrence Road, Industrial Area, Aggarwal Modern Bazaar, New Delhi, India, 110035

Financial Information

Certain financial information derived from the audited financial statements of 1589 Hotels Private Limited for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively, as required by the SEBI ICDR Regulations, is available on our website at <https://www.subahotels.com/>.

5. *Suba Hospitality Private Limited ("SHPL"):*

Brief Corporate Information

Suba Hospitality Private Limited was incorporated on March 18, 2014 under the Companies Act, 2013 pursuant to fresh certificate of incorporation issued by Registrar of Companies, Mumbai, Maharashtra. The CIN of SHPL is U55101MH2014PTC254519. The registered office of SHPL is situated at B2/1004, Marathon Innova, Ganapatrao Kadam Lane opposite Peninsula Park, Lower Parel (west), Mumbai 400013.

Financial Information

Certain financial information derived from the audited financial statements of SHPL for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively, as required by the SEBI ICDR Regulations, is available on our website at <https://www.subahotels.com/>.

B. Litigation:

Except as disclosed in "*Outstanding Litigation and Other Material Developments*" on page 253 of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which has a material impact on our Company.

C. In the promotion of our Company:

Our Group Companies do not have any interest in the promotion of our Company.

D. Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Other than the arrangements/ transactions disclosed in “***Note 27-Related party disclosures-Restated Consolidated Financial Statement***” on page 210 of this Draft Red Herring Prospectus, our Group Companies do not have any business interest in our Company.

E. Common Pursuits amongst the Group Companies and our Company

Except Hotel Suba Palace Private Limited, Suba Hospitality Private Limited, 1589 Hotels Private Limited, Onyx Hotels Private Limited our Group Companies, which is engaged in the same business as our Company, there are no common pursuits amongst our Group Companies and our Company. However, these businesses of our Promoters do not compete with our Company, and accordingly there is no conflict of interest. Further, our Company and our Promoters will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

F. Business Interest of our Group Companies

Except in the ordinary course of business and other than the business arrangements/ transactions disclosed in “***Note 27 Related party disclosures-Restated Consolidated Financial Statement***” on page 210 of this Draft Red Herring Prospectus, there are no other business arrangements/ transactions between our Company and Group Companies.

G. Confirmations

Our Group Companies do not have any securities listed on any stock exchanges. Further, they have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years receding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of directors and approved by the shareholders of our Company at their discretion and will depend on several factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividends in the last three fiscal years and the period between the last audited period and the date of filing of this Draft Red Herring Prospectus.

For further details, please refer to section titled “*Financial Information*” beginning on page 210 of this Draft Red Herring Prospectus.

SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENT

Report of Independent Auditors’ on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023, March 31, 2022, the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statement of Cash Flow for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the Restated Consolidated Statement of Significant Accounting Policies and other explanatory information of Suba Hotels Limited, its subsidiaries, associates and joint ventures (hereinafter collectively, the “Restated Consolidated Financial Statements”)

To,
The Board of Directors
SUBA HOTELS LIMITED (“Company”)
(Formerly known as “HOTEL SUBA STAR PRIVATE LIMITED”)
**Hotel Suba Star, Judges Bunglow Road,
Near Akash Tower, Bodakdev,
Ahmedabad, Gujarat, India, 380015**

Dear Sirs/Madams,

1. We have examined the attached Restated Consolidated Financial Statements of **Suba Hotels Limited (Formerly known as “Hotel Suba Star Private Limited”)** (the “Company”) and its subsidiaries (the Company and its subsidiaries, together referred to as the “Group”) comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Consolidated Financial Statements”), as approved by the Board of Directors of the Company at their meeting held on August 30, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) of equity shares of face value of Rs.10 each of the Company (the “Offering”) to be filed with the Registrar of Companies, and National Stock Exchange of India Limited (the “Stock Exchange”) prepared in terms of the requirements of:
 - a. the sub-Section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

Management’s Responsibility for the Restated Consolidated Financials Statement

2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Statements for the purpose of inclusion in the DRHP to be filed with the stock exchange where the equity shares of the Company are proposed to be listed (“**Stock Exchange**”) in connection with the proposed IPO. The Restated Consolidated Financial Statements have been prepared by the management of the Group in accordance with the basis of preparation stated in note 1 to the Restated Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statement. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditor’s Responsibilities

3. We have examined such Restated Consolidated Financial Statements taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated November 17, 2023 in connection with the proposed IPO of equity shares of the Company;
 - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Statements have been compiled by the management from:
 - a. Audited Consolidated Financial statements of the Group as at and for the year ended March 31, 2024 prepared in accordance with the Accounting Standards (referred to as “AS”) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, (the “Consolidated Financials Statement”), which have been approved by the Board of Directors at their meeting held on August 30, 2024.
 - b. Audited Financial statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with the Accounting Standards (referred to as “AS”) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, (the “Consolidated Financials Statement”), which have been approved by the Board of Directors at their meeting held on October 30, 2023 and September 29, 2022 respectively.
5. For the purpose of our examination, we have relied on:
 - a. Independent Auditor’s Report issued by us, dated August 30, 2024 on the Consolidated Financial Statements of the Group as at March 31, 2024.
 - b. Independent Auditor’s Report issued by M/S M.H. Dalal & Associates Chartered Accountants dated October 30, 2023 on the Consolidated Financial Statements of the Group for the financial years ended March 31, 2023.
 - c. Independent Auditor’s Report issued by M/S M.H. Dalal & Associates Chartered Accountants dated September 29, 2022 on the Standalone Financial Statements of Hotel Suba Star Private Limited, Zircon Hospitality Private Limited, Zircon Hotels Private Limited and Hotel Suba Elite (undertaking of Hotel Suba Palace Private Limited) for the financial year ended March 31, 2022 as referred in Paragraph 4 above.

The Audited Consolidated Financial Statements of the Group for the year ended March 31, 2024 audited by us included an Other Matter Para as follows:

Other Matter Paragraph

The audit of financial statements of one wholly owned overseas subsidiary namely “Click Rooms Hotel Management LLC Dubai-UAE”, as included in the Consolidated Financial Statements of the Group for the year ended March 31, 2024, have been audited by other auditors viz. M/s NBN Auditing of Accounts for the subsidiary and whose reports have been furnished to us by the Company’s management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors. The share of total assets, total revenues (including other income) and net cash outflows and Group’s share of net profit in its subsidiary included in the Consolidated Financial Statements of the Group, for the relevant period (January 2024 to March 2024) is tabulated below:-

Particulars	Amount (Rs. In 000’s)
Total Assets	3,63,26.39
Total Revenue	4,67,96.61

Particulars	Amount (Rs. In 000's)
Net Cash Flows	65,63.36
Group's share in Net profit in its Subsidiary	100%

6. Based on the above and according to the information and explanations given to us, we report that:

- a. Restated Consolidated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings / reclassifications retrospectively in the financial years for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed in the Audited Consolidated Financial Statements of the Group for the year ended March 31, 2024.
- b. There are no qualifications in the auditors' reports on the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which require any adjustments to the Restated Consolidated Financial Statements.

However, there are certain qualifications and emphasis of matter para mentioned in the Audit Report of M.H. Dalal & Associates which are summarized as follow for year ended March 31, 2023 and March 31, 2022.

Emphasis of matter para as per our Audit Report as on 31/03/2024

Emphasis of matter

- a) Note regarding balances of Short-term borrowings (More specifically Loans to related party transactions and others advances), Trade payables, other current liabilities (More specifically advance received from customers), other non-current assets (More specifically Business-related deposits) and Trade receivables respectively are subject to confirmations.
- b) Note regarding the company is in the process of sending intimation to the suppliers regarding status under the Micro, Small and Medium Enterprises (MSME) Development Act 2006, as a result of which we have not received the data regarding the same so we are unable to comment upon the same.
- c) Note regarding the reliance placed by the auditor on certification received from the management with regards to the disclosure of the contingent liabilities of the company.
- d) Note regarding absence of Audit Trail (Edit Log) in the accounting software used by the company for maintaining its books of accounts.

Qualifications and emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on 31/03/2023

Qualification

- a) Internal financial control relating to loans & advances given, guarantees or security provided needs to be strengthened by adhering to authorizations granted by the Board resolution / Special resolution where ever applicable.
- b) Further the management shall improve a process of entering / maintaining agreements, term sheets mentioning all the terms & conditions with regards to the brand license fees agreement, loans & advances given, as in the current situation no such documentation is maintained.
- c) Provided further, even in respect of borrowed funds, as represented by the management, no such documentation is maintained, hence the management shall work upon the same.
- d) The management should reconcile 26AS, GST on quarterly basis as to get an accurate estimation of sales which would lead to estimation of profit for payment of Advance Tax.
- e) Internal Financial control relating to inter branch unit needs to be strengthened by adhering to authorizations where ever applicable.

Emphasis of matter

- a) Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
- b) Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.

- c) Note regarding Total Brand license fees paid amounting to Rs.87.51 lakhs to Suba Hospitality Pvt Ltd, however no agreement for the same was provided.
- d) Note regarding the charges existing on MCA website and no proper explanation for the same.
- e) Note regarding amalgamation and demerger - during the current year, "Zircon Hotels Pvt. Ltd." "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited has merged with "Hotel Suba Star Private Limited" in accordance with the Scheme of Amalgamation & Demerger (Scheme) approved by the National Company Law Tribunal ('NCLT') vide its Order dated March 15, 2023. Accordingly, the assets and liabilities of "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking), has been merged to "Hotel Suba Star Private Limited". Effect of merger was given from F.Y. 2020-21 w.e.f October 2020 as per NCLT Order dated March 15, 2023.
- f) Note on computing the deferred tax working - The management of the company has calculated the depreciation as per Income Tax Act in respect of Hotel Suba Elite (Baroda Hotel Undertaking) unit of Suba Palace Pvt. Ltd. on reasonable basis and the auditor have relied on the same.
- g) Note regarding change in useful life of certain assets, however no base supporting for increased useful life was provided.
- h) Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Emphasis of matter para as per the Audit Report of M/s M.H. Dalal & Associates Chartered Accountants as on 31/03/2022

Zircon Hospitality Private Limited

- a) Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
- b) Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
- c) Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Hotel Suba Star Private Limited

- a) Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
- b) Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.

- 7. Restated Consolidated Financial Statements have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
- 8. The Restated Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
- 9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 10. We, **M/s. Shah & Taparia, Chartered Accountants**, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI which is valid till 30.09.2024.
- 11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Stock exchanges, as applicable in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Shah & Taparia**

Chartered Accountants

ICAI Firm Registration No. 109463W

Jay Kumar Gupta

Partner

M. No: 121487

UDIN: 2411487BKFFCA8328

Place: Mumbai

Date: August 30, 2024

SUBA HOTELS LIMITED (FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)
CIN-U99999GJ1997PLC120713
Restated Consolidated Balance Sheet as at 31st March 2024

	Particulars	Note	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
I	EQUITY AND LIABILITIES				
	(1) Shareholders' funds				
	(a)Share Capital	2	475.73	222.85	222.85
	(b)Reserves and surplus	3	2,757.31	1,870.28	1,591.96
	(c)Share Suspense A/c		-	252.88	252.88
	(3) Non-current liabilities				
	(a)Long-term borrowings	4	1,053.73	377.34	551.82
	(b)Deferred tax liabilities(Net)	5	320.94	273.32	207.84
	(c)Long-term provisions	6	16.16	8.49	5.62
	(4) Current liabilities				
	(a)Short-term borrowings	7	3,519.32	4,231.85	3,646.60
	(b)Trade payables	8			
	(i)Total outstanding dues to micro and small enterprises		-	3.51	4.34
	(ii)Total outstanding dues of creditors other than micro and small enterprises		784.40	613.63	466.35
	(c)Other Current liabilities	9	623.60	407.69	180.24
	(d)Short-term provisions	10	455.92	261.32	1.79
	Total		10,007.09	8,523.16	7,132.29
II	ASSETS				
	(1) Non-current assets				
	(a)Property, Plant & Equipment and Intangible Assets	11			
	(i)Tangible Assets		4,218.85	4,245.15	4,233.63
	(ii)Intangible assets		774.62	851.46	137.90
	(iii)Capital Work-in-progress		1,842.38	1,125.25	927.49
	(b)Other non-current assets	12	204.71	145.87	138.09
	(2) Current assets				
	(a)Inventories	13	13.71	3.19	3.81
	(b)Trade receivables	14	652.43	325.00	146.62
	(c)Cash and cash equivalents	15	375.24	256.79	91.46
	(d)Short-term loans and advances	16	1,266.19	1,289.97	1,284.18
	(e)Other current assets	17	658.95	280.49	169.12
	Total		10,007.09	8,523.16	7,132.29

Significant Accounting Policies

1

Contingent liabilities and commitments

18

The Accompanying notes from 2-37 form an integral part of the Restated Consolidated financial statements.

As per our report of even date

For Shah & Taparia

Chartered Accountants

FRN: 109463W

For and on behalf of Board of Directors

SUBA HOTELS LIMITED

(FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)

Jay Kumar Gupta

Partner

Membership No: 121487

Place: Mumbai

Date: 30th August, 2024

Mansur Mehta

Chairman & Managing Director

DIN: 01643019

Place: Mumbai

Date: 30th August, 2024

Mubeen Mehta

Whole Time Director & CEO

DIN: 03156531

Place: Mumbai

Date: 30th August, 2024

CA Darshan Shah

Chief Financial Officer

Membership No: 162451

Place: Mumbai

Date: 30th August, 2024

CS Sonam Aggarwal

Company Secretary

Membership No: F9681

Place: Mumbai

Date: 30th August, 2024

SUBA HOTELS LIMITED (FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)
CIN-U99999GJ1997PLC120713
Statement of Restated Consolidated Profit and Loss for the year ended 31st March 2024

Particulars		Note	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
I	Revenue from operations	19	5,227.65	3,503.30	2,017.70
II	Other incomes	20	71.96	16.57	6.64
III	Total Revenue[A]		5,299.61	3,519.86	2,024.34
IV	Expenses:				
	Cost of materials consumed	21	532.31	409.51	296.42
	Employee benefits expenses	22	1,030.08	502.35	293.23
	Finance Cost	23	49.88	25.74	10.82
	Depreciation and amortization expenses	11	238.38	265.52	269.85
	Other expenses	24	2,316.87	1,711.80	1,017.03
	Total expenses[B]		4,167.53	2,914.92	1,887.36
V	Profit before exceptional and extraordinary items and tax (A-B)		1,132.08	604.95	136.98
VI	Exceptional items		-	-	-
VII	Profit before extraordinary items and tax		1,132.08	604.95	136.98
VIII	Extraordinary items		-	-	-
IX	Profit before tax		1,132.08	604.95	136.98
X	Tax expense				
	(1)Current tax		188.60	260.00	3.12
	(2)Deferred tax		47.61	65.48	(8.86)
	3)(Excess)/Short Income Tax Provision of earlier year		-	1.14	(0.04)
XI	Profit/(Loss) for the period		895.87	278.32	142.76
XII	Earnings per share of Rs10/- each				
	(1)Basic EPS (Rs)		5.61	1.87	0.96
	(2)Diluted EPS (Rs)		5.61	1.87	0.96

Significant Accounting Policies

1

The Accompanying notes from 2-37 form an integral part of the Restated Consolidated financial statements.

As per our report of even date

For Shah & Taparia

Chartered Accountants

FRN: 109463W

For and on behalf of Board of Directors

SUBA HOTELS LIMITED

(FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)

Jay Kumar Gupta

Partner

Membership No: 121487

Place: Mumbai

Date: 30th August, 2024

Mansur Mehta

Chairman & Managing Director

DIN: 01643019

Place: Mumbai

Date: 30th August, 2024

Mubeen Mehta

Whole Time Director & CEO

DIN: 03156531

Place: Mumbai

Date: 30th August, 2024

CA Darshan Shah

Chief Financial Officer

Membership No: 162451

Place: Mumbai

Date: 30th August, 2024

CS Sonam Aggarwal

Company Secretary

Membership No: F9681

Place: Mumbai

Date: 30th August, 2024

SUBA HOTELS LIMITED (FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)
CIN-U99999GJ1997PLC120713
Restated Consolidated Cash Flow Statement for the year ended 31st March 2024

	Particulars	March 2024 (Rs in Lakhs)	March 2023 (Rs in Lakhs)	March 2022 (Rs in Lakhs)
I	Cash Flow from Operating Activities			
	Restated Profit Before tax	1,132.08	604.95	136.98
	Adjustments for:			
	Depreciation, amortisation and impairment - net of capitalisation	238.38	265.52	269.85
	Finance costs	49.88	25.74	10.82
	Forex Difference due to convergence to INR	(8.83)	-	-
	Non-Cash item	-	15.78	-
	Interest income	(4.67)	(6.98)	(0.88)
	Operating profit before working capital changes			
	Adjustment for changes in:			
	Increase/(Decrease) in Trade Payables	167.26	146.45	358.21
	Increase/(Decrease) in Other current liabilities	215.91	227.44	(84.90)
	Increase/(Decrease) in Short term Provision	194.60	259.53	(30.56)
	(Increase)/Decrease in Trade Receivables	(327.43)	(178.38)	(46.30)
	(Increase)/Decrease in Inventories	(10.52)	0.62	(1.75)
	(Increase)/Decrease in Loans and advances	23.78	(5.79)	134.17
	Increase/(Decrease) in Long Term Provision	7.67	2.88	0.89
	(Increase)/Decrease in Other current assets	(378.47)	(111.37)	(52.31)
	(Increase)/Decrease in long-term loans and Advances	(58.84)	(7.78)	(134.59)
	Cash generated from Operations			
	Income Tax paid	(188.60)	(261.14)	(3.08)
	Net cash (used in)/ generated from Operating Activities [A]	1,052.19	977.46	556.56
II	Cash Flow from Investing Activities			
	Payments for acquisition of property, plant and equipment and intangible assets	(135.25)	(990.60)	(48.77)
	Payments made for Capital work-in-progress	(717.12)	(213.54)	(466.06)
	Interest received	4.67	6.98	0.88
	Net cash (used in) / generated from Investing Activities [B]	(847.70)	(1,197.17)	(513.95)
III	Cash flow from financing Activities			
	Finance costs	(49.88)	(25.74)	(10.82)
	Repayment of long term borrowings	(185.32)	(211.11)	(2,618.70)
	Proceeds from long term borrowings	861.70	36.64	-
	Repayment of short term borrowings	(1,906.13)	585.25	2,580.31
	Proceeds from short term borrowings*	1,193.59	-	-
	Net cash generated from / (used in) financing activities [C]	(86.04)	385.03	(49.22)
IV	NET CASH INFLOW [A+B+C]	118.46	165.32	(6.61)
	Opening cash and cash Equivalents	256.79	91.46	98.07
	Closing Cash and Cash Equivalents as per Cash flow statement	375.24	256.79	91.46
V	Closing Cash and Cash Equivalents as per Balance Sheet	375.24	256.79	91.46

Note-The Cash flow statement is prepared as per Indirect Method as prescribed under Accounting Standard -3

Significant Accounting Policies

1

The Accompanying notes from 2-37 form an integral part of the Restated Consolidated financial statements.

*Short term borrowings bifurcation was not available for FY 21-22 and FY 22-23 so net figure have been shown, however the same was available for FY 23-24 so the same has been bifurcated.

As per our report of even date

For Shah & Taparia
Chartered Accountants
FRN: 109463W

For and on behalf of Board of Directors

SUBA HOTELS LIMITED
(FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)

Jay Kumar Gupta
Partner
Membership No: 121487
Place: Mumbai
Date: 30th August, 2024

Mansur Mehta
Chairman & Managing Director
DIN: 01643019
Place: Mumbai
Date: 30th August, 2024

Mubeen Mehta
Whole Time Director & CEO
DIN: 03156531
Place: Mumbai
Date: 30th August, 2024

CA Darshan Shah
Chief Financial Officer
Membership No: 162451
Place: Mumbai
Date: 30th August, 2024

CS Sonam Aggarwal
Company Secretary
Membership No: F9681
Place: Mumbai
Date: 30th August, 2024

SUBA HOTELS LIMITED (FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)

CIN NO.: U99999GJ1997PLC120713

Summary of significant accounting policies and other explanatory information to the Restated Consolidated financial statements for the year ended 31st March 2024

1 Background and nature of operations

M/s Suba Hotels Limited (Formerly known as Hotel Suba Star Private Limited) is engaged in business of Hotels; camping sites and other provision of short-stay accommodation. Registered office of the company is situated at Ahmedabad, Gujarat, India. **CIN NO.: U99999GJ1997PLC120713**
During the Financial year 2022-23 the company has recieved the NCLT (Ahmedabad) Order u/s 230-232 of the Companies Act, 2013 on 15th March, 2023 in respect of Scheme of Amalgamation & Demerger of "Zircon Hotel Pvt. Ltd", "Zircon Hospitality Pvt. Ltd." & Hotel Suba Elite (Baroda Hotel Undertaking) of Hotel Suba Palace Pvt. Ltd. with "Hotel Suba Star Ltd."

CLICK ROOMS HOTEL MANAGEMENT L.L.C, DUBAI – U.A.E. ("the Entity") was incorporated on October 26, 2021 as Limited Liability Company- Single Owner and operates in the United Arab Emirates under a Commercial License issued by the Department of Economy and Tourism of the Government of Dubai – United Arab Emirates.

The Main Activity of the company as per Commercial License is hotel management. The registered office of the Company is located at Dubai, United Arab Emirates. These financial statements incorporate the operating result of Commercial License 997201.

1.1 Significant accounting policies

(a) Basis of accounting and preparation of Restated Consolidated financial statements

The Restated Consolidated financial Statements of the Company have been prepared in accordance with the Accounting Standards to comply with the section 133 of the Companies Act 2013("the 2013 Act"),and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable.

The Restated Consolidated statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division I of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Functional and presentation currency:

These Restated Consolidated statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest thousands, unless otherwise indicated.

Historical Cost Convention:-

The Restated Consolidated financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the 'Act')

(b) Use of Estimates

The preparation of the Restated Consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of Restated Consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of investment properties, income taxes, recognition of revenue and future obligations. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

(c) Property, Plant & Equipment - Tangible

Property, Plant & Equipment are stated at cost (net of refundable taxes or levies) and include any attributable cost for bringing the assets to its working condition. Further in case of impairment of assets, the fixed assets are carried at cost or recoverable amount whichever is less.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Short Term Loans and advances and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Property, Plant and equipment are derecognised from Restated Consolidated financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

Determination of the estimated useful lives of Property Plant and Equipment :-

Useful lives of property plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II for plant and machinery they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Intangible asset

- 1.Expenditure incurred on acquisition or development of technical know-how, software, product development, Product Designs, patents, research and development and such other intangibles are recognised as Intangible Assets, if it is expected that such assets will generate future economic benefits.
- 2.Excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognised in the transferee company's financial statements as goodwill arising on merger

(d) Depreciation & Amortisation**Property, Plant & Equipement (PPE) & Intangible Assets**

The Company has used useful life as per Schedule II of the Companies Act, 2013 to provide depreciation on its PPE on SLM basis

The estimated useful life of Property, Plant and Equipment is as follows:

Asset	Useful Life
Building	60 Years*
Vehicles	8 Years
Motor Cycles, Scooters & Other Mopeds	10 Years
Furniture and Fixtures used in Hotels, Restaurants, etc	8 Years*
General Furniture and Fixtures	10 Years
Plant and Machinery	8 Years
Computer & Software	3 Years
Server & Networks	6 Years
Office Equipment	5 Years
Electronic Equipments	10 Years
Intangilbe Assets - Trademark	20 Years
Goodwill on account of merger	5 Years

*During the FY 2022-2023 the company management has decided to increase the useful life of Building from 30 years to 60 years & of Furnitures and Fixture from 5 years to 8 years.

Goodwill has been amortised as per NCLT (Ahmendabad) Order u/s 230-232 of the Compnaies Act, 2013 dated 15th March 2023.

(e) Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

(g) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the Restated Consolidated financial statements in respect of present probable obligations, for amounts which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

(h) Income Recognition**Revenue from contracts with customers**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Other Income

Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the asset to that asset's net carrying amount on initial recognition.

(i) Valuation of Inventories

1. Stock of food and beverage and stores and operating supplies are carried at lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes, inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase. The company has taken closing stock as on 31st March 2023.

(j) Foreign Exchange Fluctuation

- i. The Restated Consolidated financial statements of the Company are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.
- ii. Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(k) Employee Benefits

i. Short Term Employee Benefits

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

ii. Long Term Employee Benefits

- Defined Contribution Plans

Defined contribution fund are government administered provident fund scheme, employee state insurance scheme for all employees. The Company's contribution to defined contribution plans are recognized in the Profit & Loss Account in the financial year to which they relate.

- Defined Benefit Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss .

(l) Taxes on Income

i) Current Tax

ii) Minimum Alternate Tax (MAT)

MAT credit is recognised as a deferred tax assets only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Deferred Tax

Deferred Tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with remaining maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Earning Per Share:

Basic Earnings per share is calculated by dividing the profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to the Restated Consolidated Financial Statements

2 Share Capital	As at March 2024 (Rs in Lakhs)		As at March 2023 (Rs in Lakhs)		As at March 2022 (Rs in Lakhs)	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity share capital						
Authorised Share Capital						
Equity shares of Rs10/- each fully paid up	4,00,00,000.00	4,000.00	29,80,000.00	298.00	22,30,000.00	223.00
Total	4,00,00,000.00	4,000.00	29,80,000.00	298.00	22,30,000.00	223.00

Issued Share Capital	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity shares of Rs10/- each fully paid up	47,57,268.00	475.73	22,28,501.00	222.85	22,28,501.00	222.85
Total	47,57,268.00	475.73	22,28,501.00	222.85	22,28,501.00	222.85

Share Capital	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Share Suspense A/c			25,28,767.00	252.88	25,28,767.00	252.88

Share Suspense a/c represents the amount of equity share capital to be issued to the shareholders of amalgamating companies pursuant to the orders of The honourable NCLT, Refer note 2 below

Reconciliation of the number of shares

Particulars	As at March 2024 (Rs in Lakhs)		As at March 2023 (Rs in Lakhs)		As at March 2022 (Rs in Lakhs)	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity shares						
At the beginning of the year	22.29	222.85	22.29	222.85	22.29	222.85
Shares issued during the year	25.29	252.88	-	-	-	-
At the end of the year	47.57	475.73	22.29	222.85	22.29	222.85

Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 2024 (Rs in Lakhs)		As at March 2023 (Rs in Lakhs)		As at March 2022 (Rs in Lakhs)	
	No of Shares	% of holding	No of Shares	% of holding	No of Shares	% of holding
Equity shares						
Equity shares of Rs 10 each fully paid up						
Click Hotels Pvt. Ltd.	20.15	42.35%	12.75	57.21%	12.75	57.21%
Munsi Holding Co.	7.29	15.31%	7.29	32.69%	7.29	32.69%
Mansur Abubaker Mehta	18.63	39.16%				
Total	46.06	96.83%	20.04	89.90%	20.04	89.90%

Notes to the Restated Consolidated Financial Statements

Shares held by promoters

Particulars	As at March 2024 (Rs in Lakhs)			As at March 2023 (Rs in Lakhs)			As at March 2022 (Rs in Lakhs)		
	No. of Shares	% of total shares	% Change during the year *	No. of Shares	% of total shares	% Change during the year *	No. of Shares	% of total shares	% Change during the year *
Promoter name									
Equity shares									
Mansur Abubaker Mehta	18.63	39.16%	35.79%	0.75	3.37%	0.00%	0.75	3.37%	0.00%
Shabnam Mansur Mehta**				0.75	3.37%	0.00%	0.75	3.37%	0.00%
Mubeen Mansur Mehta	0.76	1.59%	-1.78%	0.75	3.37%	0.00%	0.75	3.37%	0.00%
Click Hotels Pvt Ltd	20.15	42.35%	-14.86%	12.75	57.21%	0.00%	12.75	57.21%	0.00%

* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

**Shabnam Mansur Mehta was a promoter upto financial year ending March 2023 and was holding 75,000 shares under promoter's group.

Note:

1.Share Capital: - Authorised, issued and paid up share capital of the Dubai Entity is AED 100,000 divided into 100 shares of AED 1,000 each fully paid and held by Mr. Mohammed Bilal Mohamed Shafi Memon (Indian national). With effect from November 17, 2023, vide Memorandum of Understanding, it is agreed to transfer the entire shares of Mr. Mohammed Bilal Mohamed Shafi Memon to M/s. Suba Hotels Limited, Gujarat – India. M/s. Suba Hotels Limited took over the operational control from January 01, 2024 onwards.

2.(a)During the FY 2022-2023 company has recieved the NCLT (Ahmedabad) Order u/s 230-232 of the Companies Act, 2013 on 15th March, 2023 in respect of Scheme of Amalgamation & Demerger of "Zircon Hotel Pvt. Ltd", "Zircon Hospitality Pvt. Ltd." & Hotel Suba Elite (Baroda Hotel Undertaking) of Hotel Suba Palace Pvt. Ltd. with "Hotel Suba Star Ltd."

As a result of which all assets and liabilities of the said company is merged to Hotel Suba Star Pvt. Ltd. in respect of which company is process of issuing these shares in ratio of 100 shares for every 119 shares held in Zircon Hotel Pvt. Ltd. & 100 shares for every 58 shares held in Zircon Hospitality Pvt. Ltd.

(b)Out of 47,57,268 Shares, 25,28,767 shares have been issued for consideration other than cash on account of amalgamation as stated in the above para.

Notes to the Restated Consolidated Financial Statements

3 Reserves and surplus

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Capital Reserves	5.87	5.87	5.87
Securities Premium	1,857.68	1,857.68	1,857.68
Surplus in statement of profit and loss			
Opening balance	6.73	(271.59)	(414.36)
Add: Profit / (Loss) during the year	895.87	278.32	142.76
Add- Forex difference on Convergence to INR	(8.83)	-	-
Closing balance	893.76	6.73	(271.59)
Total	2,757.31	1,870.28	1,591.96

Note:

Capital Reserve and Goodwill in the Restated financials Statements are on account of merger done as per the order received from The NCLT.

4 Long-term borrowings

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Secured			
Term loans from banks	1,208.60	527.79	719.99
Vehicle loans	35.00	38.97	12.24
Less: Current Maturities	(189.87)	(189.41)	(180.41)
Total	1,053.73	377.34	551.82

HDFC TERM LOAN A/C NO 5WSLN06240040001 from HDFC Bank is secured against hypothecation of 1.Commercial property-Charge on commercial property at Zircon Hospitality Private Limited,Commercial Plot at Industrial Area,Pithampur Sector-5,District-Dhar,Madhya pradesh 2.Commercial property-Hotel Suba Palace Private Limited ,Situating in and with land bearing City Survey No 41 ,in Vidhbag-D,Tikka No.1/10 of Vadodara City,Gujarat 3.Fixed deposits-DSRA-Installment of 1 quarter in form of FD of RS7.80Mn with HDFC Bank. 4.Personal Guarantee of Mr.Mansur Mehta,Mubeen Mehta and Shabnam Mehta and carries interest at the rate of 9.93% p.a. The loan is repayable in balance of 28 Equated quarterly installments as on 31.03.2024.

HDFC TERM LOAN A/C NO 5WSLN06240040002 from HDFC Bank is secured against hypothecation of 1.Commercial property-Charge on commercial property at Zircon Hospitality Private Limited,Commercial Plot at Industrial Area,Pithampur Sector-5,District-Dhar,Madhya pradesh 2.Commercial property-Hotel Suba Palace Private Limited ,Situating in and with land bearing City Survey No 41 ,in Vidhbag-D,Tikka No.1/10 of Vadodara City,Gujarat 3.Fixed deposits-DSRA-Installment of 1 quarter in form of FD of RS7.80Mn with HDFC Bank.4.Personal Guarantee of Mr.Mansur Mehta,Mubeen Mehta and Shabnam Mehta and carries interest at the rate of 9.93% p.a. The loan is repayable in balance 28 Equated quarterly installments as on 31.03.2024.

HDFC TERM LOAN A/C NO 5WSLN06240040003 from HDFC Bank is secured against hypothecation of 1.Commercial property-Charge on commercial property at Zircon Hospitality Private Limited,Commercial Plot at Industrial Area,Pithampur Sector-5,District-Dhar,Madhya pradesh 2.Commercial property-Hotel Suba Palace Private Limited ,Situating in and with land bearing City Survey No 41 ,in Vidhbag-D,Tikka No.1/10 of Vadodara City,Gujarat 3.Fixed deposits-DSRA-Installment of 1 quarter in form of FD of RS7.80Mn with HDFC Bank. 4.Personal Guarantee of Mr.Mansur Mehta,Mubeen Mehta and Shabnam Mehta and carries interest at the rate of 9.93% p.a. The loan is repayable in balance 28 Equated quarterly installments as on 31.03.2024.

HDFC TERM LOAN A/C NO. 240LN06192700005 from HDFC Bank is secured against hypothecation of 1.Commercial property-Charge on commercial property at Zircon Hospitality Private Limited,Commercial Plot at Industrial Area,Pithampur Sector-5,District-Dhar,Madhya pradesh 2.Personal Guarantee of Mr.Mansur Mehta,Mubeen Mehta and Shabnam Mehta and carries interest at the rate of 11.01% p.a. The loan is repayable in balance 10 Equated quarterly installments as on 31.03.2024.

HDFC TERM LOAN A/C NO. 240LN08202630044 from HDFC Bank is secured against hypothecation of 1.Commercial property-Charge on commercial property at Zircon Hospitality Private Limited,Commercial Plot at Industrial Area,Pithampur Sector-5,District-Dhar,Madhya pradesh 2.Personal Guarantee of Mr.Mansur Mehta,Mubeen Mehta and Shabnam Mehta and carries interest at the rate of 11.01% p.a. The loan is repayable in balance 1 installment as on 31.03.2024.

HDFC TERM LOAN A/C NO. 240LN65203050011 - from HDFC Bank is secured against hypothecation of Extension of second ranking charge over existing primary and collateral securities including mortgagae created in favour of Bank and carries interest at the rate of 8.25% p.a. The loan is repayable in balance 7 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO LAMUM00040800710 from ICICI Bank is secured against hypothecation of Vehicle and carries interest at the rate of 9.76% p.a. The loan is repayable in balance 64 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO LAMUM00040586553 from ICICI Bank is secured against hypothecation of Vehicle and carries interest at the rate of 9.99% p.a. The loan is repayable in balance 64 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO- S007000269 form Sundaram Finance Limited is secured against hypothecation of Vehicle and carries interest at the rate of 9.43% p.a. The loan is repayable in balance 47 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO ALN000101159559(HARRIER) - form Yes Bank is secured against hypothecation of Vehicle and carries interest at the rate of 7.55% p.a. The loan is repayable in balance 48 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO. S0070002732 - form Sundaram Finance Limited is secured against hypothecation of Vehicle and carries interest at the rate of 9.38% p.a. The loan is repayable in balance 47 Equated monthly installments as on 31.03.2024.

CAR LOAN A/C NO. VEH. No. MP-09-DE-7077 - form Sundaram Finance Limited is secured against hypothecation of Vehicle and carries interest at the rate of 11.14% p.a. The loan is repayable in balance 47 Equated monthly installments as on 31.03.2024.

Notes to the Restated Consolidated Financial Statements

5 Deferred tax liabilities(Net)

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Balance as at the beginning of the year	273.32	207.84	216.71
Deferred Tax Liabilities	47.61	65.48	(8.86)
Balance as at end of the year	320.94	273.32	207.84

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Opening Balance	(273.32)	(207.84)	(216.71)
Add:Depreciation as per Companies Act, 2013	238.38	265.52	269.85
Less:Depreciation as per Income Tax Act, 1961	433.05	497.69	240.21
	-	-	-
Provision for Gratuity as per Actuarial Valuation rep	8.87	3.23	1.35
	-	-	-
Deffered Tax Assets / (Liability)	(47.61)	(65.48)	8.86
	-	-	-
Total Deffered Tax Assets / (Liability)	(320.94)	(273.32)	(207.84)

Note: While computing the deferred tax working the management of the company has calculated the depreciation as per Income Tax Act on reasonable basis in respect of Hotel Suba Elite (Baroda Hotel Undertaking) unit of Suba Palace Pvt. Ltd.

6 Long-term provisions

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Gratuity	16.16	8.49	5.62
Total	16.16	8.49	5.62

Note-Gratuity provision is made as per the Acturial Valuation received by the Management

7 Short-term borrowings

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Loan from Related parties-(Unsecured)			
(a)Repayable on demand	3,214.04	3,302.63	2,484.97
Others	115.40	739.81	981.22
Current Maturities of Long Term Borrowings	189.87	189.41	180.41
Total	3,519.32	4,231.85	3,646.60

Notes to the Restated Consolidated Financial Statements

8 Trade payables

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Due to micro and small enterprises	-	3.51	4.34
Due to others	784.40	613.63	466.35
Total	784.40	617.14	470.69

Schedule of Trade payables

As at March 2024

Trade Payables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	452.30	291.40	35.85	4.84	784.40
(iii)Disputed dues — MSME	-	-	-	-	-
(iv)Disputed dues — Others	-	-	-	-	-

Note-1. There is no bifurcation available of MSME and NON-MSME Creditors. Therefore the same have been considered as NON-MSME Category in the absense of information.

As at March 2023

Trade Payables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	3.51	-	-	-	3.51
(ii)Others	336.00	263.93	3.76	9.93	613.63
(iii)Disputed dues — MSME	-	-	-	-	-
(iv)Disputed dues — Others	-	-	-	-	-

Note-1. During the FY22-23 in Signed Consolidated Financial Statements there was no bifurcation of the Trade payable in Suba Elite in the above Trade payables ageing schedule manner. Therefore, the amount have been taken in non MSME and under less than a year category.

As at March 2022

Trade Payables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	4.34	-	-	-	4.34
(ii)Others	427.98	26.12	7.77	4.48	466.35
(iii)Disputed dues — MSME	-	-	-	-	-
(iv)Disputed dues — Others	-	-	-	-	-

Note-1. During the FY21-22 in Signed Consolidated Financial Statements there was no bifurcation of the Trade payable in Suba Elite in the above Trade payables ageing schedule manner. Therefore, the amount have been taken in non MSME and under less than a year category.

9 Other Current liabilities

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Advance received from customer	114.64	42.18	51.30
Provision for Expenses	124.51	109.87	49.18
Lease rent payable	67.09	6.07	13.56
Statutory Dues payable	278.57	201.37	10.30
Other Liabilities	38.80	48.20	55.90
Total	623.60	407.69	180.24

10 Short-term provisions

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Provision for Gratuity	4.27	1.32	0.97
Provision for Tax	451.65	260.00	0.82
Total	455.92	261.32	1.79

11 Property, Plant & Equipment and Intangible Assets(Rs in Lakhs)
(Separate Chart Attached)

11 Property, Plant & Equipment and Intangible Assets(Rs in Lakhs)

Particulars	Vehicles	Plant & Machinery	Office equipment	Computer	Furniture and fixtures	Building	Land	Electronic Equipment	Total Tangible Assets	Intangible Assets	Capital WIP	Total
Gross block												
As at 31st March 2021	108.00	420.98	361.31	75.71	615.58	3,725.36	724.24	52.31	6,083.50	196.99	461.43	6,741.93
Additions	-	13.29	23.63	2.01	4.57	4.24	-	1.04	48.77	-	466.06	514.83
Deletion	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	108.00	434.27	384.95	77.72	620.15	3,729.60	724.24	53.35	6,132.28	196.99	927.49	7,256.76
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Deletion	35.42	16.64	10.49	9.05	22.75	102.25	-	8.01	204.60	786.00	213.54	1,204.15
As at 31st March 2023	143.43	450.92	395.43	86.77	642.90	3,831.85	724.24	61.35	6,336.88	982.99	1,141.03	8,460.90
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Deletion	0.42	-	54.59	9.42	16.09	39.73	-	1.88	122.14	-	717.12	839.26
As at 31st March 2024	143.85	450.92	450.02	96.18	658.99	3,871.58	724.24	63.24	6,459.01	982.99	1,858.15	9,300.16
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	79.65	207.01	282.13	52.42	312.75	707.83	-	26.41	1,668.19	19.70	-	1,687.89
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment in carrying amount	6.76	37.57	25.30	8.48	53.95	93.38	-	5.01	230.46	39.40	-	269.85
As at 31st March 2022	86.41	244.58	307.43	60.90	366.71	801.21	-	31.42	1,898.65	59.10	-	1,957.75
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment in carrying amount	5.35	51.51	18.06	9.52	51.03	52.23	-	5.38	193.08	72.44	-	265.52
As at 31st March 2023	91.76	296.10	325.49	70.41	417.74	853.44	-	36.79	2,091.73	131.54	15.78	2,239.04
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment in carrying amount	7.99	30.33	21.18	9.40	43.54	42.20	-	5.90	160.55	76.84	-	237.38
As at 31st March 2024	99.75	326.43	346.67	79.82	461.27	895.64	-	42.69	2,252.28	208.37	15.78	2,476.43
Net block	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	21.60	189.69	77.52	16.82	253.44	2,928.38	724.24	21.93	4,233.63	137.90	927.49	5,299.01
As at 31st March 2023	51.67	154.82	69.95	16.35	225.16	2,978.41	724.24	24.56	4,245.15	851.46	1,125.25	6,221.86
As at 31st March 2024	44.10	124.49	103.35	16.37	197.71	2,975.94	724.24	20.55	4,206.74	774.62	1,842.38	6,823.74

i) During the FY 2022-23 the company management has decided to increase the useful life of Building is from 30 years to 60 years & of Furnitures and Fixture from 5 years to 8 years.

ii) During the FY2022-23, in respect of "Scheme of Amalgamation & Demerger ", the excess or shortfall of Purchase Consideration is transferred to Capital Reserve or Goodwill accordingly. Hence, goodwill comprises of Rs.18.10 lakhs(18,10,349.54) of Hotel Zircon Hospitality Pvt. Ltd & of Rs.178.89 lakhs(1,78,89,089.83) of Hotel Suba Elite.

iii) the recognition of capital expense for ongoing Pitampur Project which based upon estimated costs, is as per the judgment of the management.

Property, Plant & Equipment and Intangible Assets of Dubai Subsidiary(In lakhs)

Particulars	Vehicles	Plant & Machinery	Office equipment	Computer	Furniture and fixtures	Building	Land	Electronic Equipment	Total Tangible Assets	Intangible Assets	Capital WIP	Total
Gross block as on 31st December 2023	8.09	-	4.50	-	7.29	-	-	-	19.88	-	-	19.88
Additions	-	-	-	-	0.56	-	-	-	0.56	-	-	0.56
Deletion	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2024	8.09	-	4.50	-	7.85	-	-	-	20.44	-	-	20.44
Accumulated depreciation as on 31st December 2023	3.09	-	1.57	-	2.67	-	-	-	7.33	-	-	7.33
Depreciation for the year	0.40	-	0.22	-	0.37	-	-	-	1.00	-	-	1.00
As at 31st March 2024	3.50	-	1.80	-	3.03	-	-	-	8.33	-	-	8.33
Net block	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2023	5.00	-	2.93	-	4.63	-	-	-	12.55	-	-	12.55
As at 31st March 2024	4.59	-	2.71	-	4.82	-	-	-	12.11	-	-	12.11

For Capital-work-in progress, following ageing schedule shall be given:

Capita WIP	(Amount Rs in Lakhs)Capital WIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31st March 2024					
Project in Progress	717.12	197.77	466.06	461.43	1,842.38
Project temporarily suspended	-	-	-	-	-
As on 31st March 2023					
Project in Progress	197.77	466.06	291.80	169.63	1,125.25
Project temporarily suspended	-	-	-	-	-
As on 31st March 2022					
Project in Progress	466.06	291.80	169.63	-	927.49
Project temporarily suspended	-	-	-	-	-

Notes to the Restated Consolidated Financial Statements

12 Other non-current assets

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Term deposits maturing after 1 year	78.00	-	-
Business related Deposits	126.71	145.87	138.09
Total	204.71	145.87	138.09

13 Inventories

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Closing Stock			
(a) Food and Beverage stock	13.71	3.19	3.81
Total	13.71	3.19	3.81

14 Trade receivables

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Unsecured			
Undisputed			
(a) Considered good	652.43	325.00	146.45
(b) Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
Sub-Total(A)	652.43	325.00	146.45
Disputed			
(a) Considered good	-	-	0.17
(b) Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
Sub-Total(B)	-	-	0.17
Total(A)+(B)	652.43	325.00	146.62

Schedule for Trade receivables

As at March 2024

Trade receivables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months -1 year	1-2 years	2-3years	More than 3 years
Undisputed					
(a) Considered good	483.04	103.71	60.80	4.19	0.69
(b) Considered doubtful	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-
Sub-Total(A)	483.04	103.71	60.80	4.19	0.69
Disputed					
(a) Considered good	-	-	-	-	-
(b) Considered doubtful	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-
Sub-Total(B)	-	-	-	-	-
Total(A)+(B)	483.04	103.71	60.80	4.19	0.69

Notes to the Restated Consolidated Financial Statements

As at March 2023

Trade receivables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months -1 year	1-2 years	2-3years	More than 3 years
Undisputed					
(a)Considered good	321.98	0.46	1.16	1.41	-
(b)Considered doubtful	-	-	-	-	-
Less:Provision for doubtful debts	-	-	-	-	-
Sub-Total(A)	321.98	0.46	1.16	1.41	-
Disputed					
(a)Considered good	-	-	-	-	-
(b)Considered doubtful	-	-	-	-	-
Less:Provision for doubtful debts	-	-	-	-	-
Sub-Total(B)	-	-	-	-	-
Total(A)+(B)	321.98	0.46	1.16	1.41	-

As at March 2022

Trade receivables ageing schedule(Rs in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months -1 year	1-2 years	2-3years	More than 3 years
Undisputed					
(a)Considered good	135.01	0.71	5.83	0.22	4.68
(b)Considered doubtful	-	-	-	-	-
Less:Provision for doubtful debts	-	-	-	-	-
Sub-Total(A)	135.01	0.71	5.83	0.22	4.68
Disputed					
(a)Considered good	-	0.17	-	-	-
(b)Considered doubtful	-	-	-	-	-
Less:Provision for doubtful debts	-	-	-	-	-
Sub-Total(B)	-	0.17	-	-	-
Total(A)+(B)	135.01	0.88	5.83	0.22	4.68

15 Cash and cash equivalents

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Cash and cash equivalents			
(a)Balances with banks	187.57	89.36	21.01
(b)Cheques ,drafts on hand	-	-	-
(c)Cash on hand	164.36	39.46	48.40
(d)Fixed deposits	23.31	127.96	22.05
Total	375.24	256.79	91.46

16 Short-term loans and advances

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Loans & Advances-(Unsecured)			
(a)Related Party	180.09	92.85	39.81
(b)Others	32.50	672.08	916.40
Loans & Advances to Employees	8.51	6.74	1.77
Advances for Expenses	16.18	-	-
Advances for property	270.00	-	-
Advance to suppliers	758.91	518.30	326.20
Total	1,266.19	1,289.97	1,284.18

Notes to the Restated Consolidated Financial Statements

17 Other current assets

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Balances with Government authorities	400.22	272.73	165.78
Prepaid expenses	44.39	6.35	1.41
Accrued Interest on Fixed Deposits	0.03	0.60	1.93
Fixed deposits maturing after 3 months	29.95	-	-
Others	184.37	0.80	-
Total	658.95	280.49	169.12

*Balances with Government authorities consist of input tax credits on GST, Provision for Tax (Net), Advance Tax, Self Assessment Tax, TDS etc

18 Contingent liabilities not provided for and capital commitment

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Bank Guarantee given by the company	21.05	21.05	21.05
Others	Nil	Nil	Nil
Total	21.05	21.05	21.05

Notes to the Restated Consolidated Financial Statements

19 Revenue from operations

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Sale of services			
(a) Food & Restaurant	645.76	597.98	419.48
(b) Room Income	3,647.91	2,450.40	1,537.74
(c) Other Operating Income	933.98	454.92	60.48
Total	5,227.65	3,503.30	2,017.70

20 Other incomes

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Interest on fixed deposit	4.67	6.98	0.88
Interest received from others	2.51	1.01	1.23
Interest received on I.T. refund	0.40	0.41	0.65
Sundry balances written back	52.55	(1.68)	0.20
Foreign exchange Gain / (Loss)	(2.45)	6.94	-
Others	14.27	2.91	3.68
Total	71.96	16.57	6.64

21 Cost of materials consumed

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Opening stock	3.69	3.81	2.06
Add: Purchase of food and beverages consumed	542.34	408.89	298.17
Less : Closing stock	13.71	3.19	3.81
Total	532.31	409.51	296.42

Note-Opening stock has increased as compared to the last year closing by RS50,000 due to addition of bareilly branch

22 Employee benefits expenses

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Salaries and incentives, bonus	964.58	428.95	254.90
Contributions to provident and other funds	18.56	17.23	14.33
Staff welfares	38.07	52.94	22.64
Provision for Gratuity	8.87	3.23	1.35
Total	1,030.08	502.35	293.23

Notes to the Restated Consolidated Financial Statements

23 Finance Cost

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Bank charges	4.92	2.10	1.95
Bank commission on credit card	16.59	17.82	6.54
Interest expense	16.72	4.23	1.44
Other Financial charges	11.65	1.60	0.89
Total	49.88	25.74	10.82

11 Depreciation and amortization expenses

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Tangible assets	161.54	193.08	230.46
Intangible assets	76.84	72.44	39.40
Total	238.38	265.52	269.85

24 Other expenses

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Operating expenses			
Brand licenese fees	-	87.52	67.11
Cleaning materials expenses	28.54	28.73	17.94
Cable expenses	14.68	12.03	10.04
Conducting fees	107.56	142.32	90.27
Electricity expenses	332.72	271.98	193.72
Fire fighting expenses	6.26	4.61	0.82
Furniture and fixture expenses	5.80	17.99	5.03
Guest amenities expenses	27.11	19.56	11.94
House keeping expenses	9.96	4.27	2.50
Kitchen expenses	19.20	14.70	5.30
Laundry expenses	45.60	30.40	24.08
Linen expenses	11.01	22.75	15.18
Lodging expenses	4.91	2.50	0.53
Pest control expenses	11.96	4.32	2.35
Petrol & diesel expenses	32.79	20.09	14.00
Royalty expenses	261.69	139.07	-
Security charges	7.79	2.88	1.67
Car hire charges	13.76	4.73	-
Vehicle expenses	8.59	1.95	2.55
Trainee/ Manpower expenses	147.17	225.64	173.14
Revenue commission expense	63.98	-	-
Rent including Lease rent	357.63	183.46	111.51
Total(A)	1,518.72	1,241.50	749.70

Notes to the Restated Consolidated Financial Statements

Administrative expenses			
Audit fees	14.26	12.20	3.00
Advertising expenses	3.43	0.12	-
Annual maintenance charges	44.88	30.55	20.75
Computer & Software expenses	19.37	1.57	0.67
Commission and sales promotion expenses	184.64	133.73	71.04
Decoration expenses	6.98	7.06	3.04
Donation expenses	4.76	9.69	1.32
Insurance expenses	5.15	3.59	3.37
Internet expenses	18.38	7.17	7.94
Newspaper & Periodicals expenses	0.75	0.74	0.06
Office expenses	4.44	-	0.53
Property tax	23.65	15.81	0.04
Professional fees	79.66	24.98	4.34
Printing & Stationery expenses	30.89	11.07	6.11
Repairs & Maintenance expenses	78.27	61.10	79.22
Sundry balance written off	36.17	3.67	5.41
Telephone expenses	7.12	5.71	5.13
Travelling expenses	73.99	62.65	19.38
Uniform expenses	13.00	2.06	0.90
Other general expenses	105.43	76.72	35.09
Stamp duty expenses	31.69	-	-
Professional Tax Company	0.03	0.10	-
Liscense expense	1.61	-	-
Prepaid Expenses	0.24	-	-
Late fees & penalty	3.51	-	-
CSR Expense	5.85	-	-
Total(B)	798.15	470.30	267.33
Total(A)+(B)	2,316.87	1,711.80	1,017.03

25 Auditors' remuneration

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Payment to statutory auditors			
Statutory audit fees	14.26	12.20	3.00
Total	14.26	12.20	3.00

26 Earning per share

	Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
(a)	Weight average number of shares	159.68	149.15	149.15
(b)	Net profit attributable to equity share holders	895.87	278.32	142.76
(c)	Basic / Diluted earning per share	5.61	1.87	0.96

27 Related Party Disclosures

Related part disclosures as required by Accounting Standard 18 "Related Party Disclosures" issued by Institute of Chartered Accountants of India are given below :

A. Key Management Personnel	Relationship
Mr. Mansur Abubaker Mehta	Director
Mr. Mubeen Mansur Mehta	Director
Mrs. Shabnam Mansur Mehta	Director

B Relative of KMP	
Hajra Mubeen Mehta	Relative of KMP

C Enterprises controlled or significantly influenced by key managerial personnel or their relatives, with whom transactions have occurred :

Name of the Entity	Relationship
Click Hotels Pvt. Ltd	Group company
Hotel Suba Palace Pvt. Ltd	Group company
Onyx Hotels Pvt. Ltd	Group company
Suba Realty Pvt. Ltd	Group company
1589 Hotels Pvt. Ltd.	Group company
Mehta Family Charitable Trust	Promoter is a Trustee
Mehta Roadlines	Promoter is a Partner
Suba Hospitality Pvt Ltd	Group company
Patel logistics Pvt LTD	Company owned by relative of director

27.1 The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Unsecured Loans Given to parties			
1589 Hotels Pvt. Ltd.	186.97	53.34	21.41
Mehta Roadlines	20.85	0.50	10.05
Suba Hospitality Private Limited	0.95	8.40	3.00
Suba Palace Pvt Ltd	38.56		
Onyx hotels Pvt Ltd	11.89		
Unsecured Loans repaid by parties			
1589 Hotels Pvt. Ltd.	137.94	6.20	-
Mehta Roadlines	1.65	3.00	2.05
Suba Palace Pvt Ltd	124.42	154.95	1,982.23
Onyx hotels Pvt Ltd	1,231.52	206.42	59.17
Suba Realty Pvt LTD	108.11	150.65	
Click Hotels Pvt LTD			306.60
Unsecured Loans taken from parties			
Suba Palace Pvt LTD		616.08	568.57
Suba Realty Pvt LTD		285.00	
Onyx hotels Pvt LTD	1,109.59	432.42	168.47
Click Hotels Pvt LTD		-	1,510.27
Brand license fees paid			
Suba Hospitality Private Limited		87.52	67.11
Unsecured Loans taken from Directors			
Mansur Mehta			1.44

Unsecured loans repaid to Directors			
Mansur Mehta		3.82	6.79
Mubeen Mehta			3.05
Advance for property			
Hajra Mubeen Mehta	270.00		
Advance for Expenses given during the year			
Mansur Mehta	18.90		
Mubeen Mehta	1.50		
Reimbursement during the year			
Mansur Mehta	0.30		

27.2 Details of Outstanding Balance to Related Parties

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Unsecured Loans Given to parties			
1589 Hotels Pvt. Ltd.	131.00	68.55	21.41
Suba Hospitality Private Limited	20.50	14.90	6.50
Mehta Roadlines	28.60	9.40	11.90
Unsecured Loans taken from parties			
Onyx hotels Pvt Ltd	522.64	661.18	435.18
Suba Palace Pvt LTD	1,368.00	1,277.42	816.29
Suba Realty Pvt LTD	26.24	134.35	
Patel logistics Pvt LTD	70.00		
Click Hotels Pvt LTD	1,214.67	1,214.67	1,214.67
Shabnam Mehta	12.50	12.50	12.50
Unsecured Loans taken from Directors			
Mansur Mehta	-	2.52	6.33
Advance for property			
Hajra Mubeen Mehta	270.00		
Advances for Expenses			
Mansur Mehta	14.68		
Mubeen Mehta	1.50		

Note :

1)Due to merger of "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd."& "Hotel Suba Elite" (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited the intercompnay loan balances are eliminated.

28 Contingent liabilities not provided for and capital commitment

Particulars	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Bank Guarantee given by the company	21.05	21.05	21.05
Others	Nil	Nil	Nil
Total	21.05	21.05	21.05

29 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Hotels; camping sites and other provision of short-stay accommodation". Thus, as defined in AS 17 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

30 Ratio Analysis - Separatesheet attached

31 Dividend On Equity Shares

The Company has not declared or paid any dividend during the year FY 2023-24

32 Corporate Social Responsibility

The provisions of Corporate Social Responsibility is made as per Section 135 of the Companies Act, 2013.

33 Other Statutory Information

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - ii. The Company does not have any transactions with companies struck off u/s 248 of the Companies Act, 2013.
 - iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. Further the company is in the process of closing the charges which is still open even though fully repaid the liabilities.
 - iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - v. The Company is not declared as wilful defaulter by any bank or financial institution or any other lender.
 - vi. Some balances of Trade Receivables, Trade Payables and Loans & Advances, Loans are subject to confirmation / reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.
 - vii. The Company has not granted any advance / loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend / invest / provide guarantee or security or the like to any other person on behalf of the Company.
 - viii. The Company has not received any funds from any person(s) or entity with an understanding, whether recorded in writing or otherwise, that the company shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entity.
 - ix. There are no transactions which are recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 34** During the financial year 2022-23, "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited has merged with "Suba Hotels Limited (Formerly known as Hotel Suba Star Private Limited)" in accordance with the Scheme of Amalgamation & Demerger (Scheme) approved by the National Company Law Tribunal ("NCLT") vide its Order dated March 15, 2023. Accordingly, the assets and liabilities of "Zircon Hotels Pvt. Ltd.", "Zircon Hospitality Pvt. Ltd." & "Hotel Suba Elite" (Baroda Hotel Undertaking), has been merged to "Hotel Suba Star Private Limited". Effect of merger was given from F.Y. 2020-21 w.e.f October 2020 as per NCLT Order dated March 15, 2023.
- 35** During the year the significant subsequent event took place, which is the change in the name of the company to Suba Hotels Ltd. from Hotel Suba Star Pvt. Ltd. As well as authorised share capital has been increased to Rs. 40 Crores.
- 36** In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated and provision for all known liabilities have been made in the accounts.
- 37** The Restated Consolidated financial statements have been prepared in the format prescribed by the Schedule III of Companies Act 2013. Previous year's figure have been regrouped or reclassified to confirm current year's presentation, wherever considered necessary.
-

As per our report of the even date
For Shah & Taparia
Chartered Accountants
FRN: 109463W

For and on behalf of Board of Directors
SUBA HOTELS LIMITED
(FORMERLY KNOWN AS HOTEL SUBA STAR PRIVATE LIMITED)

Jay Kumar Gupta
Partner
Membership No: 121487
Place: Mumbai
Date: 30th August, 2024

Mansur Mehta
Chairman & Managing Director
DIN: 01643019
Place: Mumbai
Date: 30th August, 2024

Mubeen Mehta
Whole Time Director & CEO
DIN: 03156531
Place: Mumbai
Date: 30th August, 2024

CA Darshan Shah
Chief Financial Officer
Membership No: 162451
Place: Mumbai
Date: 30th August, 2024

CS Sonam Aggarwal
Company Secretary
Membership No: F9681
Place: Mumbai
Date: 30th August, 2024

30 Ratios

MANDATORY RATIOS

Particulars	Period ending March 2024 (Rs in Lakhs)	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
EBITDA	1,387.18	874.69	408.27
Net Profit/(Loss) as Restated after tax	895.87	278.32	142.76
Net Worth	3,233.04	2,346.00	2,067.68
Return on Net worth (%)	27.71%	11.86%	6.90%
Equity Share at the end of year (in Nos.) (Face Value Rs. 10)	1,74,43,316.00	1,49,14,549.00	1,49,14,549.00
Weighted No. of Equity Shares (Considering bonus till the date of the Balance Sheet)	1,59,67,624.57	1,49,14,549.00	1,49,14,549.00
Basic and Diluted Earnings per Equity Share (Considering bonus till the date of the Balance Sheet)	5.61	1.87	0.96
Net Asset Value/Book Value per Equity share (Based on no of share considering bonus till the date of the Balance Sheet)	18.53	15.73	13.86
Net Asset Value/Book Value per Equity share (Based on the Weighted Average considering bonus till the date of the Balance Sheet)	20.25	15.73	13.86

ACCOUNTING RATIOS

Ratios	Formula head	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Current Ratio (in times)	Current Assets	2,966.53	2,155.43	1,695.19
	Current Liabilities	5,383.23	5,518.00	4,299.33
	Liabilities	0.55	0.39	0.39
Debt Equity Ratio (in times) (Total Debt/ Total Equity)	Total Debt	4,573.04	4,609.20	4,198.42
	Equity	3,233.04	2,346.00	2,067.68
	Total Debt/ Total Equity	1.41	1.96	2.03
Debt Service Coverage Ratio (in times) (EBIT/ Interest Expense + Current payment of Principal amount)	EBIT	1,148.80	609.18	138.41
	Interest	16.72	4.23	1.44
	Principal Payment	189.41	180.41	150.62
	EBIT/ (Interest Expense + Current payment of	5.57	3.30	0.91
Return on Equity Ratio (in %) (Profit after tax/ Equity)	Profit after tax	895.87	278.32	142.76
	Equity	3,233.04	2,346.00	2,067.68
	Profit after tax/ Equity	27.71%	11.86%	6.90%
Trade Receivables Turnover Ratio (in times) (Average Trade Receivables / Sales)	Revenue from operations	5,227.65	3,503.30	2,017.70
	Average Debtors	488.72	235.81	123.47
	Sales/Average Trade	10.70	14.86	16.34
Trade Payables Turnover Ratio (in times) (Net Purchases/Average Trade Payables)	Net Purchases	542.34	408.89	298.17
	Average Creditors	700.77	543.91	291.34
	Net Purchases/Average	0.77	0.75	1.02
Net Capital Turnover Ratio (in times) (Revenue from Operations / Average Working Capital)	Revenue from operations	5,227.65	3,503.30	2,017.70
	Average working capital i.e. Total current assets less	(2,889.64)	(2,983.35)	(2,452.04)
	Revenue from Operations /			
	Average Working Capital	(1.81)	(1.17)	(0.82)
Net Profit Ratio (in %) (Profit for the year / Revenue from operations)	Profit for the year	895.87	278.32	142.76
	Revenue from operations	5,227.65	3,503.30	2,017.70
	Profit for the year / Revenue from operations	17.14%	7.94%	7.08%
Return on Capital Employed (in %)	Profit before tax and finance	1,181.96	630.69	147.80
	Equity + Long Term costs/ Equity and	4,286.76	2,723.35	2,619.50
	borrowings	27.57%	23.16%	5.64%

Reason for Change in the ratio

Ratios	Formula head	Period ending March 2024 (In Rs)	Period ending March 2023 (In Rs)	Period ending March 2022 (In Rs)	Change in %	Reason for change for more than 25%
Current Ratio (in times)	Current Assets Current Liabilities Liabilities	0.55	0.39	0.39	41.08%	Due to increase in
Debt Equity Ratio (in times) (Total Debt/ Total Equity)	Total Debt Equity Total Debt / Total Equity	1.41	1.96	2.03	-28.01%	Due to increase in
Debt Service Coverage Ratio (in times) (EBIT / Interest Expense + Current payment of Principal amount)	EBIT Interest Principal Payment EBIT/ (Interest Expense + Current payment of	5.57	3.30	0.91	68.93%	Due to increase in revenue and
Return on Equity Ratio (in %) (Profit after tax / Equity)	Profit after tax Equity Profit after tax/ Equity	27.71%	11.86%	6.90%	133.57%	Due to increase in revenue and
Trade Receivables Turnover Ratio (in times) (Average Trade Receivables/ Sales)	Revenue from operations Average Debtors Sales/Average Trade	10.70	14.86	16.34	-28.00%	Due to increase in
Trade Payables Turnover Ratio (in times) (Net Purchases/Average Trade Payables)	Net Purchases Average Creditors Net Purchases/Average	0.77	0.75	1.02	2.95%	Due to increase in
Net Capital Turnover Ratio (in times) (Revenue from Operations / Average Working Capital)	Revenue from operations Average working capital i.e. Total current Revenue from Operations / Average Working Capital	(1.81)	(1.17)	(0.82)	54.06%	Due to increase in revenue
Net Profit Ratio (in %) (Profit for the year / Revenue from operations)	Profit for the year Revenue from operations Profit for the year / Revenue from operations	17.14%	7.94%	7.08%	115.71%	Due to increase in operating margin and
Return on Capital Employed (in %)	Profit before tax and finance Equity+Long Term Borrowings costs/ Equity and borrowings	27.57%	23.16%	5.64%	19.06%	Increase in Profit before tax and finance costs more than

Statement of tax shelter as restated

Particulars	As at		
	As at March 2024 (Rs in Lakhs)	As at March 2023 (Rs in Lakhs)	As at March 2022 (Rs in Lakhs)
Profit before tax as per books of accounts(A)	1,132.08	604.95	136.98
Normal rate	25.63%	28.60%	28.60%
Minimum Alternate Tax Rate	-	-	-
	-	-	-
Permanent differences	-	-	-
Amount disallowable u/s 36	2.46	0.24	0.97
Amount disallowable u/s 37	28.57	45.33	12.17
Amount disallowable u/s 43B	138.08	30.31	10.21
Amount disallowable u/s 40	46.23	177.31	-
Other Adjustments	-	-	-
Total(B)	215.35	253.20	23.35
	-	-	-
Timing differences	-	-	-
Depreciation as per Books of Accounts	238.38	265.52	269.85
Depreciation as per Income Tax	433.05	497.69	240.21
Difference between tax depreciation and book depreciation	(194.67)	(232.18)	29.64
Gratuity Provision in Books	8.87	3.23	1.35
Gratuity/Bonus Actually Paid	-	-	-
Deduction under Chapter VI-A	-	-	-
Total (C.)	(185.80)	(228.95)	30.99
Net Adjustments(D=B+C)	29.55	24.25	54.35
Total Income(E=A+D)	1,161.63	629.19	191.32
Brought forward losses set off(F)	(186.53)	(596.22)	(53.33)
Taxable Income/(Loss) for the year (E+F)	975.09	32.97	137.99
Tax Liability	188.60	9.43	39.47
Interest on Tax	-	-	-
Tax payable as per Normal Rates	188.60	9.43	39.47
	Not Applicable		
	(As New regime is opted)	-	-
Tax payable as per MAT			
Tax payable as per normal rates or MAT(whichever is higher)	188.60	9.43	39.47
Type of Tax Payment	Normal Tax	Normal Tax	Normal Tax

Reconciliation between Audited and Restated Financials

Particulars	Period ending March 2023 (Rs in Lakhs)	Period ending March 2022 (Rs in Lakhs)
Net Profit as per Audited Books of Accounts	382.26	150.78
Extraordinary Items		
Adjustments for:		
Prior Period	4.66	2.17
Provision for Gratuity	(3.23)	(1.35)
Change in Depreciation due to change in estimate	(96.09)	6.44
Change in Depreciation due to amortization of Goodwill created on account of Merger	(39.40)	(39.40)
Change in Deferred Tax due to change in tax %	30.11	24.13
Net Profit after Restatement adjustments as per restated financials	278.32	142.76

OTHER FINANCIAL INFORMATION

SUMMARY OF ACCOUNTING RATIOS

Particulars	FY 2023-2024	FY 2022-2023	FY 2021-2022
Basic EPS (in ₹)	5.61	1.87	0.96
Diluted EPS (in ₹)	5.61	1.87	0.96
Return on Net worth (%)	27.71%	11.86%	6.90%
Net asset value per equity share (in ₹) #	20.25	15.73	13.86
EBITDA (in ₹ lakhs)	1,387.18	874.69	408.27

after adjusting bonus issue

Notes: The ratios have been computed as under:

1. *Basic and diluted EPS: Restated profit for the year of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with AS 20 - Earnings per share.*

2. *Return on Net Worth: Net Profit after tax, as restated, divided by net-worth, as restated (Net worth include share capital and reserves and surplus).*

3. *Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the outstanding weighted average number of equity shares. Net worth include share capital and reserves and surplus and are based on Restated Financial Information.*

4. *EBDITA refers to earnings before interest expense, taxes, depreciation, amortization.*

5. *Accounting and other ratios are derived from the Restated Financial Statements*

FINANCIAL INDEBTEDNESS

Our Company has availed certain credit facilities in the ordinary course of business to meet our working capital requirements and for general corporate purposes. As of August 31, 2024, our outstanding borrowings aggregated to ₹ 4953.64 lakhs.

Set forth below, is a brief summary of our Company's borrowings as August 31, 2024, together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Category of borrowing	Interest	Sanctioned Amount	Outstanding amount as on August 31, 2024	Tenure
	(in % p.a.)	(in Lakhs)	(in Lakhs)	
Fund Based:				
Secured(A)				
<u>Working Capital Term Loan:</u>				
HDFC Bank	9.93%	1,275.71	1,199.17	79- 84 months
HDFC Bank	11.01%	422.61	321.49	84 months
HDFC Bank	11.01%	5.78	5.78	84 months
<u>Vehicle Loan:</u>				
ICICI Bank	9.90%	9.86	1.04	64 months
ICICI Bank	9.70%	9.86	0.85	64 months
Sundaram Finance	9.43%	10.49	5.83	47 months
Sundaram Finance	9.38%	7.15	3.97	47 months
Sundaram Finance	11.14%	10.25	8.77	47 months
Yes Bank	7.55%	19.00	8.61	48 months
Total (A)		1,770.71	1,555.51	
Unsecured (B)				
<u>Other Unsecured Loan:</u>				
Suba Palace Pvt Ltd		1,089.93	1,089.93	Repayable on Demand
Onyx hotels Pvt Ltd		852.84	852.84	Repayable on Demand
Click Hotels Pvt LTD		1,214.67	1,214.67	Repayable on Demand
Patel logistics Pvt LTD		70.00	70.00	Repayable on Demand
Suba Realty Pvt LTD		26.24	26.24	Repayable on Demand
Shabnam M Mehta		12.45	12.45	Repayable on Demand
Rauf Pathan		132.00	132.00	Repayable on Demand
Total (B)		3,398.13	3,398.13	
Total (A+B)		5,168.84	4,953.64	

*As certified by Statutory and peer review auditor, Shah & Taparia, Chartered Accountant pursuant to their certificate dated September 19, 2024.

Notes: In the absence of specific sanction limits, outstanding amount of borrowing (including interest payable) has been considered as sanction amount.

Principal terms of the borrowings availed by our Company:

The details provided below are indicative, and there may be additional terms, conditions and requirements under various documentation executed by our Company in relation to our indebtedness:

- Interest:** In terms of the facilities sanctioned to us, the interest rate shall be agreed with the lender at the time of disbursement. Additionally, the interest rate for secured and unsecured loans availed ranges between 7.55% to 11.14 %.

2. **Tenure:** The tenor of the term/vehicle loan loans availed by our Company typically ranges from 47 months to 84 months, some secured working capital loans and other unsecured loans are repayable on demand.
3. **Security:** In terms of the borrowings availed by our Company where security needs to be created, security is created by registered mortgage of on following Immovable Property as mentioned below:

1. *Primary Security:*

- For Working Capital Term Loans:*

- 1) Commercial property - Charge on commercial property at Commercial Plot at Industrial Area, Pithampur Sector-5, District - Dhar, Madhya Pradesh
- 2) Commercial property - Situated in and with land bearing City Survey No 41, in Vibhag - D, Tikka No.1/10 of Vadodara City, Gujarat
- 3) Fixed Deposits - ₹ 78 Lakhs with HDFC Bank

- For Vehicle Loans:*

- 1) Hypothecation of car purchased out of loan.

4. **Guarantee:**

Personal Guarantee of Promoters/ Promoter Group of the Company Mansur Mehta, Mubeen Mehta and Shabnam Mehta

5. **Covenants:**

The company during the tenure of the Bank's credit facility, will not without the prior permission in writing:

1. Resort to any additional borrowing in the company
2. Undertake any further capex except being funded by company's own resources.
3. Effect any change in shareholding pattern & management control in the company.
4. Diversify into non-core areas viz business other than the Current business.
5. Invest in, extend any Advance / Loans, to any Group Companies / Associates / Subsidiary / any other party.
6. Financial covenants to be maintained during the bank finance and to be tested annually:
 - a. Leverage to be maintained at < 1.5 times
 - b. Minimum unsecured loans in the merged entity to be maintained at ₹ 20 Crore
 - c. DSCR to be maintained at 1.25 x

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

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022. You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 33 of this Draft Red Herring Prospectus, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated consolidated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Suba Hotels Limited (erstwhile "Hotel Suba Star Private Limited"), our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Consolidated Financial Statements" for Financial Year ended on March 31, 2022, March 31, 2023, and March 31, 2024 included in this Draft Red Herring Prospectus beginning on page 28.

BUSINESS OVERVIEW

We are one of India's largest domestic hotel chains in the mid-market sector with 79 operational hotels as of July 2024, comprising 3,744 keys across 51 cities, majority of which are located in emerging markets in tier 2 and 3 cities. We also have a portfolio of 35 hotels in the pre-opening phase, encompassing 1,661 rooms (Source: JLL Report). We operate in the mid-market hotel sector, consisting of upscale, upper-midscale, midscale, and economy brands domestic as well as international. We primarily cater to guests across business, leisure, and religious tourism, delivering superior service standards at attractive price points. Our hotel portfolio encompasses a diverse range of business models, including owned, managed, revenue share & lease, and franchised properties. We currently categorize our hotel portfolio into four distinct hotels categories based on business models that includes owned, managed, revenue share & lease and franchised hotels

In the first quarter of 2024, the hospitality industry experienced ongoing growth propelled by a notable 8.5% increase in the Average Daily Rate (ADR). As a result, the Revenue per Available Room (RevPAR) grew by 11.4%. This growth was primarily driven by factors such as increased corporate travel, a rise in wedding ceremonies, and increased demand for Meetings, Incentives, Conferences, and Exhibitions (MICE) at the end of the financial year 2024 (Source: JLL Report).

Over the last two years, hotel operators have also leveraged their scale to rationalize costs and efficiencies, making them relatively more resilient to changing market conditions and resulting in higher profitability. The coming together of the industry to grow rates while rewriting prevalent practices over the last 2 years resulted in reduced overheads and higher profitability with leaner operating structures (Source: JLL Report).

Our diverse range of hotel categories such as owned, managed, revenue share & lease and franchised hotels and extensive portfolio of domestic and international brands are strategically designed to cater to various market segments. Positioned in prime locations and competitively priced, we offer exceptional value, which has driven our rapid expansion into markets traditionally underserved by chain-affiliated hotels. As of July 31, 2024, our portfolio of operating hotels consists of 5 owned hotels consisting of 227 rooms, 13 managed hotels consisting of 551 rooms, 14 hotels on revenue share & lease basis consisting of 529 rooms and 47 franchised hotels consisting of 2,437 rooms.

We have been promoted by Mansur Mehta and Mubeen Mehta. Mansur Mehta is an experienced professional in the hospitality industry with a career spanning approximately three decades. He began his journey by developing the first hotel, The Suba Palace, in Colaba, Mumbai in 1994. Mubeen Mehta is a visionary hotelier and entrepreneur who has seamlessly blended tradition with modernity to create a distinctive presence in the hospitality industry. His forward-thinking approach shines through in his use of cutting-edge technology and digital solutions to elevate guest experiences and optimize operations, all while upholding the core values of integrity, trust, and service. Mansur Mehta together with his son Mubeen Mehta have demonstrated their vision and capability by growing their operations organically and through strategic acquisitions and integrations. They

have also acquired and integrated hotels like '1589 Hotels' and became the master franchisee of Choice Hotels in 2022 for their brands Clarion, Quality & Comfort. Mansur Mehta and Mubeen Mehta's ability to adapt to changing circumstances and their pursuit of progress and growth have contributed to the success of each venture they undertake.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of March 31, 2024 as disclosed in this Draft Red Herring Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company's future results of operations could be affected potentially by the following factors:

1. General economic conditions in India, changes in laws and regulations.
2. Changes in revenue mix, including geographic mix of our revenues.
3. Changes in Fiscal, Economic or Political conditions in India.
4. Increased market fragmentation.
5. Competition with existing and new entrants.
6. Ability to renew franchise and lease agreements.
7. Brand Image.
8. Technology System and Infrastructure Risks.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure IV" beginning under Chapter titled "*Financial Information of our Company*" beginning on page 71 of the Draft Red Herring Prospectus.

RESULTS OF KEY OPERATIONS

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years ended March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such period and financial years.

(₹ in lakhs)

Particulars	For the year ended on					
	March 31, 2024	% of Total Income	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
Revenue from operation	5,227.65	98.64%	3,503.30	99.53%	2,017.70	99.67%
Other income	71.96	1.36%	16.57	0.47%	6.64	0.33%
Total Revenue	5,299.61	100.00%	3,519.86	100.00%	2,024.34	100.00%
Cost of materials consumed	532.31	10.04%	409.51	11.63%	296.42	14.64%
Employee benefit expenses	1,030.08	19.44%	502.35	14.27%	293.23	14.49%
Finance cost	49.88	0.94%	25.74	0.73%	10.82	0.53%
Depreciation & amortization expense	238.38	4.50%	265.52	7.54%	269.85	13.33%
Other expenses	2,316.87	43.72%	1,711.80	48.63%	1,017.03	50.24%
Total Expenses	4,167.53	78.64%	2,914.92	82.81%	1,887.36	93.23%
Profit Before Tax	1,132.08	21.36%	604.95	17.19%	136.98	6.77%
Tax Expenses	236.21	4.46%	326.63	9.28%	-5.78	-0.29%
Profit (Loss) for the Year	895.87	16.90%	278.32	7.91%	142.76	7.05%

Review of Restated Financials

Revenue from Operations: Revenue from operations consists of i) Room Income; ii) Food & Restaurant and iii) Other Operating income.

Room Income is further bifurcated into a) Owned; b) Revenue share and lease; c) Franchise and d) Managed.

(₹ in lakhs)

Particulars	For the year ended on					
	March 31, 2024	As a % of total operational revenue	March 31, 2023	As a % of total operational revenue	March 31, 2022	As a % of total operational revenue
Room Income:						
<i>Owned</i>	1,402.49	26.83%	1,269.97	36.25%	859.48	42.60%
<i>Revenue share and lease</i>	2,245.42	42.95%	1,180.42	33.69%	678.26	33.62%
<i>Franchise</i>	676.55	12.94%	355.84	10.16%	-	-
<i>Managed</i>	177.80	3.40%	49.92	1.43%	5.58	0.28%
Food & Restaurant	645.76	12.35%	597.98	17.07%	419.48	20.79%
Other Operating Income	79.63	1.52%	49.15	1.40%	54.90	2.72%
Total	5,227.65	100.00%	3,503.30	100.00%	2,017.70	100.00%

Other Income: Other income includes Interest income, Foreign Exchange Gain/(Loss), Sundry balances written back and Other Miscellaneous Income.

Total Income: Our total income comprises revenue from operations and other income.

Total Expenses: Company's total expenses consist of Cost of materials consumed, Employee benefit expenses, Finance cost, Depreciation and amortization expense, and other expenses.

Employee Benefits Expense: Employee benefit expense includes Salaries and incentives, bonus; Contributions to provident and other funds; Staff welfares; and Provision for gratuity.

Finance Cost: Finance cost includes Bank charges, Bank commission on credit card, Interest expense and Other Financial charges.

Other expenses: Other expenses mainly consist of Rent including lease rent, Electricity expenses, Royalty expenses, Trainee/ Manpower expenses, Commission and sales promotion expenses, Other general expenses, Professional fees etc.

COMPARISON OF F.Y. 2024 WITH F.Y. 2023:

Revenue from Operations

The Company's revenue from operations in the financial year 2023-24 is ₹ 5,227.65 lakhs. This represents ₹ 1,724.35 lakhs or 49.22% increase compared to the previous financial year's revenue from operations of ₹ 3,503.30 lakhs. The increase is on account of organic as well as inorganic growth.

- Room income from 'Revenue share and lease' in the financial year 2023-24 increased by ₹ 1,065.00 lakhs or 90.22% as compared to financial year 2022-23
- Room income from 'Franchise' in the financial year 2023-24 increased by ₹ 320.71 lakhs or 90.13% as compared to financial year 2022-23
- Room income from 'Owned' in the financial year 2023-24 increased by ₹ 132.51 lakhs or 10.43% as compared to financial year 2022-23
- Room income from 'Managed' in the financial year 2023-24 increased by ₹ 127.88 lakhs or 256.15% as compared to financial year 2022-23
- Food & Restaurant income in the financial year 2023-24 increased by ₹ 47.78 lakhs or 7.99% as compared to financial year 2022-23
- Other Operating income in the financial year 2023-24 increased by ₹ 30.48 lakhs or 62.00% as compared to financial year 2022-23

Other Income

Other Income in the financial year 2023-24 increased by ₹ 55.39 lakhs or 334.38%, reaching ₹ 71.96 lakhs in comparison to the ₹ 16.57 lakhs incurred in the Financial Year 2022-23. This increase was primarily due to increase in Sundry balances written back of ₹ 54.23 lakhs, increase in Other miscellaneous income of ₹ 11.36 lakhs and decrease in foreign exchange gain/ (loss) of ₹ 9.39 lakhs.

Cost of materials consumed

Cost of materials consumed in the financial year 2023-24 increased by 29.99%, reaching ₹ 532.31 lakhs constituting 10.04% of total income.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2023-24 increased by 105.05%, reaching ₹ 1,030.08 lakhs in comparison to the ₹ 502.35 lakhs incurred in the Financial Year 2022-23. This rise in employee expenses primarily stemmed from increases in Salaries and incentives, bonus which went up by ₹ 535.63 lakhs and staff welfares which went down by ₹ 14.88 lakhs.

Finance Costs

Finance Costs in the Financial Year 2023-24 increased by 93.76%, reaching ₹ 49.88 lakhs in comparison to the ₹ 25.74 lakhs incurred in the Financial Year 2022-23. This rise in finance costs primarily stemmed from increases in Interest expense which went up by ₹ 16.72 lakhs and other financial charges which went up by 10.06 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2023-24 decreased by 10.22%, reaching ₹ 238.38 lakhs in comparison to the ₹ 265.52 lakhs incurred in the Financial Year 2022-23.

Other Expenses

Other expenses in the Financial Year 2023-24 increased by 35.35%, reaching ₹ 2,316.87 lakhs in comparison to the ₹ 1,711.80 lakhs incurred in the Financial Year 2022-23. This increase in other expenses was primarily attributed to several factors, including ₹ 174.17 lakhs increase in Rent including lease rent, ₹ 122.62 lakhs increase in Royalty expense, ₹ 63.98 lakhs increase in Revenue commission expenses, ₹ 60.74 lakhs increase in Electricity expenses, ₹ 54.69 lakhs increase in Professional fees and ₹ 50.91 lakhs increase in Commission and sales promotion expenses.

Tax Expenses

Tax expenses decreased by 27.68%, reaching a total of ₹ 236.21 lakhs in the financial year 2023-24, in contrast to the ₹ 326.63 lakhs in the financial year 2022-23.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2023-24 reached ₹ 895.87 lakhs, marking a notable increase from ₹ 278.32 lakhs in the financial year 2022-23. In the financial year 2023-24, PAT constituted 16.90% of the total revenue, in contrast to 7.91% in the fiscal year 2022-23.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of organic and inorganic growth as below:

1. The growth in Room income in owned category in 2024 compared to 2023 is 10.43% organic growth in the room revenue from 5 owned hotels.
2. The growth in room income in Revenue share and Lease category in 2024 compared to 2023 is 90.22 % this is mainly on account of increase in 6 units under the category i.e. 12 hotels in 2024 compared to 6 hotels in 2023.
3. There is 90.13 % growth in revenue from franchisee operation in 2024 compared to 2023 the said growth is mainly on account of full year of Master Franchise operation compared to 9 months of 2023.
4. The revenue from property under management contract increased by 256.17 % in 2024 compared to 2023 is mainly on account of increase in property count i.e. 16 hotels in 2024 compared to 9 hotels in 2023.

COMPARISON OF F.Y. 2023 WITH F.Y. 2022:**Revenue from Operations**

The Company's revenue from operations in the financial year 2022-23 is ₹ 3,503.30 lakhs. This represents ₹ 1,485.60 lakhs or 73.63% increase compared to the previous financial year's revenue from operations of ₹ 2,017.70 lakhs. The increase is on account of organic as well as inorganic growth.

- Room income from 'Revenue share and lease' in the financial year 2022-23 increased by ₹ 502.16 lakhs or 74.04% as compared to financial year 2021-22
- Room income from 'Franchise' in the financial year 2022-23 increased by ₹ 355.84 lakhs as compared to financial year 2021-22

- Room income from 'Owned' in the financial year 2022-23 increased by ₹ 410.50 lakhs or 47.76% as compared to financial year 2021-22
- Room income from 'Managed' in the financial year 2022-23 increased by ₹ 44.34 lakhs or 794.87% as compared to financial year 2021-22
- Food & Restaurant income in the financial year 2022-23 increased by ₹ 178.50 lakhs or 42.55% as compared to financial year 2021-22
- Other Operating income in the financial year 2022-23 decreased by ₹ 5.74 lakhs or -10.46% as compared to financial year 2021-22

Other Income

Other Income in the financial year 2022-23 increased by ₹ 9.92 lakhs or 149.40%, reaching ₹ 16.57 lakhs in comparison to the ₹ 6.64 lakhs incurred in the Financial Year 2021-22. This increase was primarily due to increase in Interest on fixed deposits of ₹ 6.09 lakhs, increase in foreign exchange gain/ (loss) of ₹ 6.94 lakhs and decrease in Sundry balances written back of ₹ 1.87 lakhs

Cost of material consumed

Cost of materials consumed in the financial year 2022-23 increased by 38.15%, reaching ₹ 409.51 lakhs constituting 11.63% of total income.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2022-23 increased by 71.31%, reaching ₹ 502.35 lakhs in comparison to the ₹ 293.23 lakhs incurred in the Financial Year 2021-22. This rise in employee expenses primarily stemmed from increases in Salaries and incentives, bonus which went up by ₹ 174.05 lakhs and staff welfares which went up by ₹ 30.30 lakhs.

Finance Costs

Finance Costs in the Financial Year 2022-23 increased by 137.84%, reaching ₹ 25.74 lakhs in comparison to the ₹ 10.82 lakhs incurred in the Financial Year 2021-22. This rise in finance costs primarily stemmed from increases in Bank commission on credit card which went up by ₹ 11.27 lakhs and Interest expense which went up by 2.79 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2022-23 decreased by 1.61%, reaching ₹ 265.52 lakhs in comparison to the ₹ 269.85 lakhs incurred in the Financial Year 2021-22.

Other Expenses

Other expenses in the Financial Year 2022-23 increased by 68.31%, reaching ₹ 1,711.80 lakhs in comparison to the ₹ 1,017.03 lakhs incurred in the Financial Year 2021-22. This increase in other expenses was primarily attributed to several factors, including ₹ 139.07 lakhs increase in Royalty expense, ₹ 78.26 lakhs increase in Electricity expenses, ₹ 71.95 lakhs increase in Rent including lease rent, ₹ 52.50 lakhs increase in Trainee/ manpower expenses, ₹ 52.05 lakhs increase in conducting fees, ₹ 62.69 lakhs increase in Commission and sales promotion expenses, ₹ 43.27 lakhs increase in Travelling expenses and ₹ 41.64 lakhs increase in Other general expenses.

Tax Expenses

Tax expenses increased by 332.41%, reaching a total of ₹ 326.63 lakhs in the financial year 2022-23, in contrast to the ₹ (5.78) lakhs in the financial year 2021-22.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2022-23 reached ₹ 278.32 lakhs, marking a notable increase from ₹ 142.76 lakhs in the financial year 2021-22. In the financial year 2022-23, PAT constituted 7.91% of the total revenue, in contrast to 7.05% in the fiscal year 2021-22.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to total income is mainly on account of organic and inorganic growth as below:

1. The room income from the owned hotels increased by 47.76 % in 2024 compared to 2023 this is mainly on account of increase in partly operational owned hotel.
2. The room income from the hotels on Revenue share & lease increase by 74.04 % in 2024 compared 2023 this is mainly increase in number of hotels under revenue share and lease in 2024 of 6 compared to 4 in 2022 and operational efficiency
3. The income from management fees from hotel under management contract increased by 794.62 % in 2023 compared to 2022 this is mainly on account of number of hotels increased to 9 in 2023 compared to 1 in 2022

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years ended on 2024, 2023, and 2022:

(₹ in lakhs)

Particulars	FY 2024	FY 2023	FY 2022
Net cash (used in)/ Generated from operating activities	1,052.19	977.46	556.56
Net cash (used in)/ Generated from investing activities	(847.70)	(1,197.17)	(513.95)
Net cash (used in)/ Generated from finance activities	(86.04)	385.03	(49.22)
Net increase/ (decrease) in cash and cash equivalents	118.46	165.32	(6.61)
Cash and Cash Equivalents at the beginning of the period	256.79	91.46	98.07
Cash and Cash Equivalents at the end of period	375.24	256.79	91.46

Cash Flow from/(used in) Operating Activities

Net cash generated from operating activities in the Fiscal 2024 was ₹ 1,052.19 lakhs and our profit before tax that period was ₹ 1,132.08 lakhs. The difference was primarily attributable to depreciation, amortisation and impairment of ₹ 238.38 lakhs, finance costs of ₹ 49.88 lakhs, and thereafter change in working capital of ₹ (166.04) lakhs respectively, resulting in gross cash generated from operations at ₹ 1,240.79 lakhs. We have income tax paid of ₹ 188.60 lakhs.

Net cash generated from operating activities in the Fiscal 2023 was ₹ 977.46 lakhs and our profit before tax that period was ₹ 604.95 lakhs. The difference was primarily attributable to depreciation, amortisation and impairment of ₹ 265.52 lakhs, finance costs of ₹ 25.74 lakhs, and thereafter change in working capital of ₹ 333.60 lakhs respectively, resulting in gross cash generated from operations at ₹ 1,238.60 lakhs. We have income tax paid of ₹ 261.14 lakhs.

Net cash generated from operating activities in the Fiscal 2022 was ₹ 556.56 lakhs and our profit before tax that period was ₹ 136.98 lakhs. The difference was primarily attributable to depreciation, amortisation and impairment of ₹ 269.85 lakhs, finance costs of ₹ 10.82 lakhs, and thereafter change in working capital of ₹ 142.87 lakhs respectively, resulting in gross cash generated from operations at ₹ 559.64 lakhs. We have income tax paid of ₹ 3.08 lakhs.

Cash Flow from/(used in) Investing Activities

In the Fiscal 2024, our net used in investing activities was ₹ 847.70 lakhs, which was primarily for Payments for acquisition of property, plant and equipment and intangible assets of ₹ (135.25) lakhs, Payments made for Capital work-in-progress of ₹ (717.12) lakhs and Interest received of ₹ 4.67 lakhs during the said period.

In the Fiscal 2023, our net used in investing activities was ₹ 1,197.17 lakhs, which was primarily for Payments for acquisition of property, plant and equipment and intangible assets of ₹ (990.60) lakhs, Payments made for Capital work-in-progress of ₹ (213.54) lakhs and Interest received of ₹ 6.98 lakhs during the said period.

In the Fiscal 2022, our net used in investing activities was ₹ 513.95 lakhs, which was primarily for Payments for acquisition of property, plant and equipment and intangible assets of ₹ (48.77) lakhs, Payments made for Capital work-in-progress of ₹ (466.06) lakhs and Interest received of ₹ 0.88 lakhs during the said period.

Cash Flow from/(used in) Financing Activities

In the Fiscal 2024, our net cash used in financing activities was ₹ (86.04) lakhs. This was primarily due to Repayment of long term borrowings of ₹ (185.32) lakhs, Proceeds from long term borrowings of ₹ 861.70 lakhs,

Repayment of short term borrowings of ₹ (1,906.13) lakhs, Proceeds from short term borrowings of ₹ 1,193.59 lakhs and Finance costs of ₹ (49.88) lakhs.

In the Fiscal 2023, our net cash generated from financing activities was ₹ 385.03 lakhs. This was primarily due to Repayment of long term borrowings of ₹ (211.11) lakhs, Proceeds from long term borrowings of ₹ 36.64 lakhs, Proceeds from short term borrowings of ₹ 585.25 lakhs and Finance costs of ₹ (25.74) lakhs.

In the Fiscal 2022, our net cash used in financing activities was ₹ (49.22) lakhs. This was primarily due to Repayment of long term borrowings of ₹ (2,618.70) lakhs, Proceeds from short term borrowings of ₹ 2,580.31 lakhs and Finance costs of ₹ (10.82) lakhs.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 33 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company mainly consists of i) Room Income; ii) Food & Restaurant and iii) Other Operating income.

Room Income is further bifurcated into a) Owned; b) Revenue share and lease; c) Franchise and d) Managed

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 33 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry services in which the issuer company operated

The Company is in the business of, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 118 of this Draft Red Herring Prospectus.

8. Status of any publicly announced new products or business services

Our Company has not announced any new services or business services.

9. The extent to which business is seasonal

Our Company's business is subject to seasonality. For further information, kindly check "*Risk Factors*" beginning on page 33 in this Draft Red Herring Prospectus.

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

The % of contribution of our Company's suppliers vis-à-vis the total revenue from operations respectively for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Suppliers as a percentage (%) of total purchases		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	14.40%	13.81%	17.34%
Top 10	23.82%	23.33%	29.19%

The % of contribution of our Company's customers vis-à-vis the total revenue from operations respectively for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Customers as a percentage (%) of total sales		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	3.02%	3.87%	6.36%
Top 10	4.98%	6.50%	9.65%

11. Competitive conditions

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Our Business*" beginning on pages 118 and 155, respectively of this Draft Red Herring Prospectus.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as on March 31, 2024, as derived from our Restated Consolidated Financial Information. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Position and Results of Operations", "Financial Information" and "Risk Factors" on pages 244, 210 and 33 respectively.

(₹ in Lakhs)

Particulars	Pre-Issue as at March 31, 2024	Post Issue
Borrowings		
Short- term (A)	3,329.44	[●]
Long- term (including current maturities) (B)	1,243.60	[●]
Total Borrowings (C)	4,573.04	[●]
Shareholder's fund		
Share capital	475.73	[●]
Reserve and surplus, as restated	2,757.31	[●]
Total Shareholder's fund (D)	3,233.04	[●]
Long- term borrowings / equity ratio {(B)/(D)}	0.38	[●]
Total borrowings / equity ratio {(C)/(D)}	1.41	[●]

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

*Except as disclosed in this section, as on the Date of this Draft Red Herring Prospectus, there is no outstanding (i) criminal proceeding; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to any direct or indirect taxes; or (iv) other pending litigations, as determined to be material by our Board as per the Materiality Policy; in each case involving our Company, our Subsidiary, our Promoter, our Directors or Group Companies (“**Relevant Parties**”). Further, except as stated in this section, there are no disciplinary actions, including penalties imposed by SEBI or stock exchanges, against our Promoter in the last five Fiscal immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action.*

For the purpose of identification of material litigation in (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated July 03, 2024, any pending litigation/ arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a. The aggregate monetary claim/ dispute amount/ liability made by or against our Company or our Subsidiaries in any such pending litigation (individually or in aggregate), is equivalent to or above 5% of the average restated profit after tax of our Company, as per the Restated Financial Statements of the last three completed fiscal years (amounting to ₹ 39.22 lakhs);*
- b. Any such pending litigation / arbitration proceeding involving the Directors or Promoters or Group Companies of our Company, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation of our Company; and*
- c. any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of the Relevant Parties, from third parties (other than show cause notices issued by statutory / regulatory / tax authorities or notices threatening criminal action or the first information reports) have not, and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that such Relevant Party, as the case may be, is impleaded as a defendant/s in proceedings before any judicial / arbitral forum.

Further in terms of the Materiality Policy, creditors of our Company to whom amount due by our Company is equal to or in excess of 5% of the average restated profit after tax of our Company, of the last three completed fiscal years would be considered as material creditors. Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹ 39.22 lakhs.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation filed against our Company.

2. Outstanding actions by Statutory/Regulatory Authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by any regulatory/ statutory authority against our Company.

3. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations against our Company.

B. Litigation filed by our Company

1. Criminal Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation filed against our Company.

2. Material Civil Litigation

Hotel Suba Star Pvt. Ltd. vs. M/s Indo Thai Developers Pvt. Ltd – ARB.P. 372/2024

Our Company had filed a petition before the Delhi High Court under Sections 11(5) and 11(6) of the Arbitration and Conciliation Act, 1996, arising from a dispute between Hotel Suba Star and Indo Thai Developers Pvt. Ltd. in relation to a Franchise Agreement dated October 8, 2014, which granted Indo Thai Developers non-exclusive rights to use the "Quality Inn" brand, later modified to "Clarion Inn". In 2016 and 2019, the parties executed addendums to the Franchise Agreement, mutually modifying certain provisions of the Franchise Agreement.

In 2022, Hotel Suba Star acquired the franchise rights for Clarion Inn through a Master Franchise Agreement with Choice Hotels. Subsequent to acquisition of the franchise rights, Hotel Suba Star continued to permit Indo Thai Developers use the "Clarion Inn" brand. However, Indo Thai Developers defaulted in payment of the franchise fees to Hotel Suba Star. Despite repeated notices and a Notice to Cure issued on July 10, 2023, Indo Thai Developers did not make the payment.

On October 10, 2023, Hotel Suba Star terminated the Franchise Agreement and invocation of arbitration under the dispute resolution clause of the Franchise Agreement. The outstanding claims, which includes franchise fees, marketing service fees, and liquidated damages aggregates to approximately ₹40 lakhs. On May 13, 2024, the Hon'ble Bombay High Court referred the dispute to the Delhi International Arbitration Centre (DIAC) for arbitration. The DIAC has been directed to appoint an arbitrator from its panel, with the proceedings to be governed by DIAC rules. Hotel Suba Star is waiting to hear of appointment of the arbitrator from the DIAC.

II. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal Litigation

Gulam Rasool Shaikh v/s. Mansur Mehta, Mubeen Mehta, Shabnam Mehta and Others. - C.C. 877/Misc/2016

The case Gulam Rasool Shaikh ("Complainant") vs. Mansur Mehta ("Accused No. 1"), Mubeen Mehta ("Accused No. 2"), Shabnam Mehta ("Accused No. 3", collectively known as the "Accused") & Ors, in the 65th Metropolitan Magistrate Court at Andheri, Mumbai ("Hon'ble Court"), involves the Complainant, Gulam Rasool Shaikh, alleging that the Accused, have engaged in fraudulent activities to illegally occupy and claim ownership over a property in Andheri, Mumbai. The property, bearing C.T.S. No. 17, Survey No. 22C, Hissa No. 4, was purchased by the Complainant and his family through a registered deed of conveyance dated April 13, 2000.

The Complainant alleges that the Accused, in collusion with officials from the Municipal Corporation of Greater Mumbai, fraudulently obtained a Commencement Certificate and other approvals for a construction project on the disputed property. The case is filed under several sections of the Indian Penal Code, including Sections 420 (cheating), 423 (fraudulent execution of deed of transfer), 424 (dishonest or fraudulent removal or concealment of property), 426 (mischief), 464, 465, 466, 467, 468, 469, 471 (related to forgery), and 120B (criminal conspiracy) read with Section 34 (acts done by several persons in furtherance of common intention).

The Complainant is seeking legal action against the Accused for their alleged fraudulent activities and the illegal acquisition of his property. The case is ongoing and the next date of hearing is October 18, 2024.

Mr. Abdul Majid Shaikh vs. Abhyudan Hotel and Real Estate Private Limited & Others- C.C. No. 97/MISC.2017

Abdul Majid Shaikh (“**Complainant**”) filed a private case against Abhyudayan Hotel & Real Estate Private Limited and others (“**Accused**”), alleging several serious offenses under various sections of the Indian Penal Code (IPC), including cheating, forgery, and criminal conspiracy. The case centers around a dispute over the ownership and development rights of a property located at CTS No. 17, Survey No. 22C, Hissa No. 4, Village Sahar, Andheri (East), Mumbai.

The Complainant claims to have purchased the property through a registered deed of conveyance and has been in possession of the property along with his family. However, the defendants, who are connected to the Raigadh Niketan Co-operative Housing Society Limited, allegedly obtained a commencement certificate and sanctioned plans from municipal authorities through fraudulent means, including misrepresenting their rights over the property. The complaint further alleges that the accused used forged documents to claim ownership and secure approvals for redevelopment, which infringed upon the complainant's property rights.

Despite a police inquiry under Section 202 of the Criminal Procedure Code (CrPC), which concluded with a report unfavorable to the complainant, the complainant filed a protest petition. The court allowed this petition, rejecting the police report and directing the complainant to provide additional evidence. The matter is currently pending and the next hearing date is November 13, 2024.

2. Outstanding actions by Statutory/Regulatory Authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by any regulatory/statutory authority against our Promoters.

3. Material civil proceedings

Mr. Abdul Majid Shaikh Vs Abhyudan Hotel And Real Estate Pvt Ltd And Ors, Mansur Mehta, Mubeen Mehta, Shabnam Mehta, Umesh Bhat – Suit 1590 of 2017

The case Shaikh Abdul Kadar Khaja Saheb & Ors. (“**Plaintiff**”) vs. Municipal Corporation of Greater Bombay & Ors. (“**Defendants**”), pending in the City Civil Court at Dindoshi, Mumbai (“**Hon’ble Court**”), under Suit No. 1590 of 2017, involves the Plaintiffs seeking a declaration of ownership over a property in Andheri, Mumbai, and challenging a February 13, 1989 Deed of Conveyance as forged and void. They also seek to invalidate building plans and approvals granted by the Municipal Corporation, under Section 346 of the Mumbai Municipal Corporation Act, 1888 and request an injunction to stop any construction or demolition on the property.

The petitioner claims to be the absolute owners and landlords of the suit property i.e. property land bearing CTS no.17 survey no. 22C, Hissa no. 4, along with 4 shops and 6 rooms, structures standing thereon totally adm 236.6 sq mtrs. situate at Village Sahar, Taluka - Andheri Sahar Road, Andheri (E) 400099. The case is next scheduled for hearing on December 05, 2024.

B. *Litigation filed by our Promoters*

1. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation filed by our Promoters.

2. Material Civil Litigation

Mr. Mansur Mehta vs. Navel & Military Restaurants & Stores & Anr. - R.A.E. & R. Suit No. 180 of 2024

Mansur Mehta (“**Plaintiff**”) and Naval & Military Restaurants & Stores (“**Defendants 1**”), along with its partners and Food Matters (India) Private Limited (“**Defendants 2**, collectively as the Defendants”), is pending in the Small Causes, Mumbai (“**Hon’ble Court**”). The Plaintiff seeks to evict the Defendants from his property at Hotel Suba Palace, Mumbai, under Sections 15(1), 16(1)(g)(e), and 16(2) of the Maharashtra Rent Control Act, 1999, due to alleged breaches of the tenancy agreement. The Defendants are accused of illegally occupying the premises after the expiration of a No Objection Certificate (NOC) in November 2021, failing to pay NOC charges, and subletting without consent. The Plaintiff is claiming approximately ₹47,89,003 in compensation and arrears, along with a permanent injunction to prevent further subletting. The next date of hearing is October 01, 2024.

III. Litigation involving our Directors

A. Litigation filed against our Directors

1. Criminal Litigation

As on date of this Draft Red Herring Prospectus, there are no criminal litigations filed against our Directors

2. All actions by Statutory/Regulatory authorities

As on date of this Draft Red Herring Prospectus, there are no outstanding actions by regulatory and statutory authorities filed against our Directors

3. Other pending litigation against our Directors

As on date of this Draft Red Herring Prospectus, there are no other outstanding litigations filed against our Directors

B. Litigation filed by our Directors

1. Criminal Litigation

As on date of this Draft Red Herring Prospectus, there are no criminal litigations filed by our Directors

2. Other Pending Litigations by our Directors

Sunil Hemchand Patel vs State of Maharashtra and Ors- Writ Petition No. 17127 of 2023

Sunil Hemchand Patel and others have filed a writ petition (Writ Petition Stamp No. 17127 of 2023) in the High Court of Judicature at Bombay, challenging an order dated March 17, 2023, by the Court of Small Causes, Mumbai. The order dismissed their Miscellaneous Application No. 77 of 2016, which sought condonation of a delay of 3072 days in filing a restoration application for RAD Suit No. 618 of 2001. The original suit, involving a tenancy dispute over a property in Mumbai, was dismissed for default on August 6, 2007. The petitioners claim the delay was caused by internal miscommunication and the negligence of their previous advocate. They are seeking to have the impugned order quashed and their original suit restored for hearing on its merits. The amount involved in the dispute is not explicitly mentioned, but it pertains to significant property rights, potentially involving substantial financial stakes. The writ petition is currently pending before the High Court. The matter is currently pending.

Sunil Hemchand Patel vs. Indofil Industries Limited- Suit No. 431 of 2021

Sunil Hemchand Patel (“**Plaintiff**”) filed a suit against Indofil Industries Limited (“**Defendant**”) in the High Court of Judicature at Bombay, seeking compensation for the wrongful termination of his employment offer as Chief Financial Officer (CFO). In October 2021, the plaintiff was approached by officers of the defendant company, offering him the position of CFO. After deliberations, the plaintiff accepted the offer and was issued a formal employment letter on January 4, 2022, with a fixed annual salary of ₹1.02 crore. Following the acceptance of the offer, the plaintiff resigned from his then-current position at Tanna Agro Impex Private Limited, with plans to join Indofil Industries on February 21, 2022. On February 2, 2022, the plaintiff was informed by the Vice President of People Strategy at Indofil

that his services were no longer required, effectively terminating the employment offer without prior notice or justification. The plaintiff claims that the abrupt termination caused significant professional and personal distress, including loss of reputation and social standing, and resulted in financial losses due to his resignation from his previous job. He is seeking ₹6.38 crore in damages, including compensation for the salary he would have earned over five years, increments, and additional compensation for mental agony and loss of reputation. The matter is currently pending.

Sunil Hemchand Patel vs. Rafika Civil Misc. Connected (41)/21/2021 and Civil Suit/8/2021

Sunil Hemchand Patel (The “**Complainant**”) has filed a case bearing number 8/2021 and a Temporary Injunction Application bearing No. (41)13/2021 before the Ld. District Court at Banswara. The Ld. Court passed an order for status quo till the disposal of the original suit.

The Complaint states that when the order of Status quo was passed by the Ld. District Judge at Banswara there was an encroachment of 4-4 feet of bricks at the place of incidence. The Complainant further states that after the order was passed by the Accused has constructed 4 columns and brick masonry on the spot so that they can prove their possession. A water tanker is present at the place of incidence and the construction looks new.

IV. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

1. Criminal Litigation

As on date of this Draft Red Herring Prospectus, there are no criminal litigations filed against our Subsidiaries

2. Outstanding actions by regulatory and statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by regulatory and statutory authorities against our Subsidiaries.

3. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations against our Subsidiaries.

B. Litigation filed by our Subsidiaries

1. Criminal Litigation

As on date of this Draft Red Herring Prospectus, there are no criminal litigations filed by our Subsidiaries

2. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations filed by our Subsidiaries.

V. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies are not involved in any litigation which has or may have a material impact on our Company

Note:

Tax Proceedings against our Company, Promoters, Directors, Group Companies, and Subsidiaries.

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Promoters, Directors, and Group Companies.

(₹ in lakhs)*

Nature of case	Number of cases	Amount involved
Company		
Direct tax	3	1.79
Indirect tax	Nil	Nil
Promoters[^]		
Direct tax	17	3,641
Indirect tax	Nil	Nil
Directors^{&}		
Direct tax	1	0.23
Indirect tax	Nil	Nil
Subsidiaries^{**}		
Direct tax	NA	NA
Indirect tax	NA	NA

*To the extent quantifiable

[&] Excluding our Promoter who is also a Director

[^] For details of the direct tax matters involving Mr. Mansur Mehta, our Promoter and Managing director, that exceed the Materiality Threshold, see the disclosure below.

^{**} Foreign Entities

Pursuant to search and seizure operations conducted by the IT department, during October 2021, the following orders were issued:

Mansur Mehta (our “**Promoter and Managing Director**”) has filed an appeal with the Commissioner of Income-tax (Appeals) against an order dated May 23, 2023, issued under Section 143(3) of the Income-tax Act, 1961, for the assessment year 2022-23. The appeal challenges several additions made by the assessing officer, including ₹25,00,000/- under Section 69A for unexplained money and ₹1,27,89,000/- under Section 69C for unexplained expenditure, both based on WhatsApp chats and SMS messages. In total, the disputed additions amount to approximately ₹152 lakhs, resulting in a disputed tax demand of ₹1,26,01,998/-. The appeal also contests the charging of interest under Section 234B amounting to ₹15,63,828/- and the initiation of penalty proceedings under Sections 271AAB, 269ST, and 271DA. The case is currently pending with the Commissioner (Appeals), with the appellant disputing the validity of the digital evidence used to justify the tax demands and penalties.

Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company shall be considered to be material (“**Material Creditors**”) for the purpose of disclosure in this Draft Red Herring Prospectus. The Board deems all creditors above 5% of the total trade payables as per the last restated audited financial statements as Material Creditors. Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹39.22 lakhs as on March 31, 2024.

As of March 31, 2024, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors are as follows:

(₹ in Lakhs)

Type of Creditors [#]	Number of Creditors	Amount Outstanding
Other creditors*	684	417.46
Dues to Material Creditors	4	366.93
Total	688	784.39

*Company is in the process of getting information regarding their classification under MSME (as per the Micro, Small and Medium Enterprises Development Act, 2006, as amended)

[#] As certified by M/s. Shah & Taparia, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 19, 2024.

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at www.subahotels.com. It is clarified that such details available on our Company’s website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company’s website, www.subahotels.com would be doing so at their own risk.

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 244 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals, consents, registrations, licenses and permissions from various governmental and regulatory authorities of the respective jurisdictions required to be obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities and operations (“**Material Approvals**”). In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section “*Risk Factors*” on page 33 of this Draft Red Herring Prospectus, these material approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “*Key Regulations and Policies*” on page 176 of this Draft Red Herring Prospectus.

We have also disclosed below the Material Approvals (a) applied for but not received; (b) which have expired and renewal to be applied for; and (c) required but not obtained or applied for. For details of risks associated with not obtaining or delay in obtaining requisite approvals, see “*Risk Factors – Risk Factor 16– Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect the operations of our business*” on page 260. For details in connection with the applicable regulatory and legal framework, see “*Key Regulations and Policies*” on page 176 of this DRHP.

1. Material approvals obtained in relation to the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on August 09, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The shareholders of the Company have, pursuant to a special resolution passed in the EGM held on August 23, 2024, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has obtained in-principle listing approval dated [●] from the EMERGE Platform of NSE

2. Incorporation details of our Company

- a. Certificate of Incorporation dated October 23, 1997, issued by the Registrar of Companies, Mumbai in the name of “Trupti Supercaterers & Hotels Private Limited”.
- b. Fresh Certificate of incorporation dated October 8, 2014, issued to our Company by the Registrar of Companies, Mumbai pursuant to change in name from “Trupti Supercaterers & Hotels Private Limited” to “Hotel Suba Star Private Limited”
- c. Fresh Certificate of incorporation dated October 8, 2014, issued to our Company by the Registrar of Companies, Mumbai pursuant to change in name from “Hotel Suba Star Private Limited” to “Suba Hotels Private Limited”
- d. Fresh Certificate of incorporation dated November 17, 2023, issued to our Company by the Registrar of Companies, Ahmedabad, pursuant to conversion of our Company from Private Limited to a Public Company in the name of “Suba Hotels Limited”

3. Material approvals obtained in relation to our business and operations

We require various approvals to carry on our business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. As of July 31, 2024, our portfolio of operating hotels consists of 5 owned hotels consisting of 227 rooms and 14 hotels on revenue share & lease basis consisting of 529 rooms.

We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business and operations. These licenses differ on the basis of the location as well

as the nature of operations carried out at such locations. Further, in certain instances where the hotel is leased by us, certain licenses and approvals are obtained and maintained by the lessor/developer of the property. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire in the ordinary course of business and applications for renewal of such approvals are submitted by us in accordance with applicable procedures and requirements.

Our Company has obtained the following material approvals to carry on our business and operations:

A. Tax Related Approvals

No	Nature of Registration/ License [#]	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	Permanent Account Number (PAN)	AABCT7319K	Income Tax Department, Government of India	October 23, 1997	Valid until cancelled
2	Tax Deduction Account Number (TAN)*	MUMT14653C	Income Tax Department, Government of India	December 19, 2014	Valid until cancelled
3	GST Registration Certificate	24AABCT7319K 1Z7	Government of India	July 01, 2017	Valid until cancelled
4	Professional Tax of Registration*	PE/C016751896	Ahmedabad Municipal Corporation – Professional Tax – New West Zone	February 05, 2015	Valid until cancelled

[#]Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion

Our Company has obtained the following material approvals in relation to hotels owned by us, to carry on our business and operations:

a. Suba Star, Ahmedabad

A. Tax Related Approvals obtained by our Company

No	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	GST Registration Certificate	24AABCT7319K 1Z7	Government of India	July 01, 2017	Valid until cancelled

^{*}Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion

B. Regulatory approvals of our Company

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	License under Food Safety and Standards Act, 2006	10718026000323	Food and Drugs Control Administration, Gujarat	May 26, 2024	May 25, 2026
2	Fire safety certificate issued by the fire department	5000002979	Ahmedabad Municipal Corporation	December 11, 2023	December 11, 2025

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
3	Certificate of Registration under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	PIV/SNRSP/400 0986/276484	Ahmedabad Municipal Corporation	September 21, 2023	Valid until cancelled
5	Registration under the ESIC Act	37001029070001 101	Employee State Insurance Corporation, Regional Office	May 10, 2013	Valid until cancelled
6	License to use a lift	CZ/07/009071/1 0	Chief Inspector of Lifts & Escalators,	October 07, 2023	October 06, 2028
7	License to use a lift	CZ/07/009072/1 0	Chief Inspector of Lifts & Escalators,	October 07, 2023	October 06, 2028
9	Registration with Employees' Provident Fund and Miscellaneous Provisions Act	2693071561	Employees' Provident Fund Organization, under Ministry of Labour & Employment, Government of India	September 14, 2015	Valid until cancelled

*Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion

b. Hotel Suba Palace, Vadodara ("Suba Elite")

A. Tax Related Approvals obtained by our Company

No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	GST Registration Certificate	24AABCT7319K 4Z4	Government of India	February 04, 2024	Valid until cancelled

B. Regulatory approvals of our Company

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	License under Food Safety and Standards Act, 2006	10721032000260	Food and Drugs Control Administration, Gujarat	February 22, 2021	February 21, 2026
2	Renewal for Fire safety certificate issued by the fire department	2024/00046496	Vadodara Municipal Corporation	February 08, 2024	February 08, 2026
3	Certificate of Registration under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	R D 7 - 0000036	Vadodara Municipal Corporation	May 17, 2021	Valid until cancelled
5	Registration under the ESI Act	38000423950001 101	Employee State Insurance	October 12, 2014	Valid until cancelled

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
			Corporation, Regional Office		
6	Renewal License to use a lift	G/SZ/19/4468/2014	Chief Inspector of Lifts & Escalators, (South Zone), Vadodara	June 30, 2020	December 29, 2024
7	Registration with Employees' Provident Fund and Miscellaneous Provisions Act	7691799872	Employees' Provident Fund Organization, under Ministry of Labour & Employment, Government of India	December 19, 2014	Valid until cancelled

**Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion*

c. Click Hotel Bhuj

A. Tax Related Approvals obtained by our Company

No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	GST Registration Certificate	24AABCT7319K5Z3	Government of India	February 06, 2024	Valid until cancelled

B. Regulatory approvals of our Company

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	License under Food Safety and Standards Act, 2006	10020916000109	Food and Drugs Control Administration, Gujarat	November 30, 2020	November 29, 2025
2	No objection Certificate issued by the fire department	SFPS/FIRE NOC-KTC/HOTEL/137/23	Gujarat State Fire Prevention Services, Regional - Rajkot	October 5, 2023	October 4, 2025
3	License to use a lift	G/NZ/01/353/2016	Chief Inspector of Lifts & Escalators, North Zone	April 13, 2022	April 12, 2027
4	Registration with Employees' Provident Fund and Miscellaneous Provisions Act	3155665096	Employees' Provident Fund Organization, under Ministry of Labour & Employment, Government of India	January 16, 2016	Valid until cancelled

**Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion*

d. Click Hotel Pithampur

A. Tax Related Approvals obtained by our Company

No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
3	GST Registration	23AABCT7319K	Government of	January 31,	Valid until

No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
	Certificate	1Z9	India	2024	cancelled

B. Regulatory approvals of our Company

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	Registration with Employees' Provident Fund and Miscellaneous Provisions Act	10001481773	Employees' Provident Fund Organization, under Ministry of Labour & Employment, Government of India	March 22, 2024	Valid until cancelled
2	Fire Plan Approval Certificate	6100011676	Office of Joint Director/ Fire Officer, Indore	October 11, 2023	October 10, 2023
3	Certificate of Registration under the Madhya Pradesh Shops and Establishments Act, 1958	DHAR230412SE 004703	Madhya Pradesh Shop and Establishments	April 13, 2023	Valid until cancelled
4	M.P Pollution Control Board Consent	1345641	M.P Pollution Control Board	February 02, 2024	January 29, 2029
5	UDYAM Registration Certificate	0047282	Ministry of Micro, Small and Medium Enterprises	February 16, 2021	Valid until cancelled
6	Registration under the ESI Act	18371029070011 101	Employee State Insurance Corporation	April 20, 2024	Valid until cancelled
7	Permission to install DG Set to generate power for standby use only	WC230004473	Executive Engineer (Electrical) & Divisional Electrical Inspector, Madhya Pradesh	January 22, 2024	Valid until cancelled
8	License to use a lift (Click Hotel Pithampur)	A.M./Lift/Permis sion/382/M.A.	Office of the Deputy Chief Electrical Inspector & Chief Inspector of Lifts & Escalators	May 05, 2024	May 04, 2025

**Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion*

e. Click Hotel Junagadh

A. Tax Related Approvals obtained by our Company

No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	GST Registration Certificate	24AABCT7319K 9ZZ	Government of India	February 16, 2024	Valid until cancelled

B. Regulatory approvals of our Company

No.	Nature of Registration/ License*	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	License under Food Safety and Standards Act, 2006	10021916000407	Food and Drugs Control Administration, Gujarat	December 13, 2023	December 12, 2024
2	Registration under the ESI Act	37001147950001101	Employee State Insurance Corporation, Ahmedabad	September 21, 2019	Valid until cancelled
3	Registration with Employees' Provident Fund and Miscellaneous Provisions Act	9999998116	Employees' Provident Fund Organization, under Ministry of Labour & Employment, Government of India	June 18, 2017	Valid until cancelled

*Our Company is in the process of applying to the relevant authorities for the revision of the approvals mentioned herein, pursuant to the change in name of the Company upon conversion

4. Material Approvals or renewals for which applications are currently pending before relevant authorities

No	Nature of Registration/ License	Issuing Authority	Application dated
1	Fire NoC (Click Hotel, Junagadh)	Junagadh Municipal Corporation	July 15, 2024

5. Material Approvals expired and renewal yet to be applied for

No	Nature of Registration/ License	Issuing Authority
1	License under Food Safety and Standards Act, 2006 (Click Hotel Pithampur)	Food and Drugs Control Administration, Gujarat
2	License to use a lift (Click Hotel, Junagadh)	Office of the Deputy Chief Electrical Inspector & Chief Inspector of Lifts & Escalators

6. Material Approvals required but not obtained or applied for



- (i) Registration under ESIC (Click Hotel Bhuj)


7. Material Approvals in relation to Our Material Subsidiary

CLICK ROOMS HOTEL MANAGEMENT L.L.C is Limited Liability Company - Single Owner(LLC - SO) incorporated on October 26, 2021 with Government of Dubai.

Sr. No.	Nature of Registration/ License	Registration no.	Main License No.	Date of Issue	Date of Expiry
1	Commercial License	2160697	997201	October 26, 2021	October 25, 2024

8. Intellectual property related approvals

Brand Name/ Logo Trademark	Class	Registered in the name of group Company	Application No.	Date of Application/ Registration	Current Status
	43	2967552	413674 Temp# :10445690	April 06, 2024	Pending
	43	3028780	413674 Temp# :10445690	April 06, 2024	Pending

Brand Name/ Logo Trademark			Class	Registered in the name of group Company	Application No.	Date of Application/ Registration	Current Status
			43	2095292	413674 Temp# :10445690	April 06, 2024	Pending

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the issue

Corporate Approvals

Our Board has authorized the Issue pursuant to a resolution passed at its meeting held on August 09, 2024.

Our Shareholders have authorized the Issue, pursuant to a special resolution passed on August 23, 2024, under Section 62(1)(c) of the Companies Act, 2013.

This Draft Red Herring Prospectus was approved pursuant to a resolution passed by our Board on September 22, 2024.

In-principle Listing Approvals

Our Company has received an in-principal approval from the NSE EMERGE for the listing of our Equity Shares pursuant to letter dated [●],

Prohibition by Securities Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") or governmental authorities.

Our Company, our Promoters, members of the Promoter Group, our Directors or persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them in respect of their respective holding in our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner. No outstanding action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Other confirmations

None of our Promoter Group companies appear in the list of struck-off companies/limited liability partnerships by the Registrar of Companies. None of our Promoters, individual members of the Promoter Group and Directors have been or are directors on the board of any company or limited liability partnership whose name appears in the list of struck-off companies/limited liability partnerships by the Registrar of Companies:

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI ICDR Regulations, as we are an Issuer whose post issue face value paid-up capital is more than ₹10 crores and less than ₹25 crores and we can issue Equity Shares to the public and propose to list the same on NSE Emerge.

We further confirm that:

- i. In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue is 100% underwritten and the BRLM to the Issue will underwrite minimum 15% of the Total Issue Size.
- ii. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of

proposed Allottee's in the Issue will be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within four (4) days of such intimation. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

- iii. In terms of Regulation 246(1) of the SEBI ICDR Regulations, a copy of the Prospectus will be filed with the SEBI through the BRLM immediately upon filing of the prospectus with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI ICDR Regulations, the SEBI will not issue any observation on the Issue document. Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, the BRLM will also submit to SEBI a due diligence certificate as per the format prescribed by SEBI, along with the Prospectus.
- iv. In accordance with Regulation 261 of the SEBI ICDR Regulations, we confirm that we have entered into an agreement dated [●] with the BRLM and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the NSE Emerge.

In terms of Regulation 229(3) of the SEBI ICDR Regulations, we confirm that we have fulfilled the eligibility criteria for NSE Emerge which are as follows:

- a. The Company was incorporated on October 23, 1997, with the Registrar of Companies, Mumbai under Companies Act, 1956 in India.
- b. As on the date of this Draft Red Herring Prospectus, our Company has a total paid up share capital of ₹ 17,44,33,160 comprising 1,74,43,316 Equity Shares and the Post Issue Capital will be of ₹ [●] lakhs comprising [●] Equity Shares which is below ₹ 2,500.00 lakhs.
- c. Our Company was converted into Public Limited Company and name of company was changed from “Suba Hotels Private Limited” to “Suba Hotels Limited” vide fresh certificate of incorporation dated November 17, 2023. Hence, our Company fulfils the criteria of having track record of 3 years.
- d. Our Company's operating profit (earnings before interest, depreciation and tax) and net worth, based on the Restated Financial Statements included in this Draft Red Herring Prospectus are set forth below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<i>Operating Profit (earning before interest, depreciation and tax)</i>	1,348.38	879.64	411.01
Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
<i>Share Capital</i>	475.73	222.85	222.85
<i>Add: Share Suspense (Pursuant to NCLT Order)</i>	-	252.88	252.88
<i>Add: Reserves & Surplus</i>	2,757.31	1,870.28	1,591.96
<i>Net Worth</i>	3,233.04	2,346.00	2,067.68

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves(excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Operating profit has been defined as the Earnings before depreciation and tax.

- e. Our Company has not been referred to the Board of Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company.
- f. The Company should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application

(₹ in lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Cash flow from operating	1,052.19	977.46	556.56

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
(-) Purchase of FA	852.37	1,204.15	514.83
(+) Net Borrowings	-36.16	410.78	-38.40
(-) Interest *(1-tax)	39.47	11.84	11.28
FCFE	124.19	172.24	-7.95

*As certified by M/s Shah & Taparia, Chartered Accountant by way of their certificate dated September 19, 2024

- g. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- h. There has been no change in the Promoter of the Company in the preceding one year from date of filing application to NSE for listing on NSE EMERGE.
- i. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- j. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- k. There is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
- l. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, Promoters, companies promoted by the Promoters during the past three years.
- m. There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), Company(ies), companies promoted by the promoters/promoting Company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- n. We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group Company(ies), subsidiaries companies promoted by the promoters/promoting Company(ies) of the applicant Company in the Draft Red Herring Prospectus.
- o. We have disclosed the details of the applicant, Promoters/Promoting Company(ies), Group Company(ies), subsidiaries, companies promoted by the promoters/promoting Company(ies) litigation record, the nature of litigation, and status of litigation, for details, please refer the chapter "*Outstanding Litigation & Material Developments*" on page 253 of this Draft Red Herring Prospectus.
- p. There has been no track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of our directors and its effect on the business of our Company, where all or any of the directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences.
- q. We have disclosed all details of the track record of the directors. For Details, refer the chapter "*Outstanding Litigation & Material Developments*" on page 253 of this Draft Red Herring Prospectus.
- r. We have not been rejected by the Exchange in the last 6 complete months.
- s. There have been no instances of our BRLM to the Issue, where any of their IPO draft offer document filed with the NSE being returned in the past 6 months from the date filing of this DRHP.
- t. Our Company has a website www.subahotels.com

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus will be filed with NSE and our Company will make an application to NSE

for listing of its Equity Shares on the NSE Emerge is the Designated Stock Exchange.

- Our Company has entered into an agreement dated November 20, 2023, with NSDL and agreement dated November 20, 2023 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-issue capital of our Company is fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by our Promoters are in dematerialized form.
- The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For further details, please see "*Objects of the Issue*" on page 95 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF SECURITIES EXCHANGE BOARD OF INDIA ("SEBI")

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLM, BEING UNISTONE CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at <https://www.subahotels.com/> or the website of any affiliate of our Company, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and as will be provided in the Underwriting Agreement.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter(s) and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriter(s) and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company, and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, and affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Any person into whose possession this Draft Red Herring

Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the issue, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with NSE Emerge for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of any of the Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, or (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs". The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Further, each Bidder, where required, must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the EMERGE Platform of National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus will be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus, are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited. Applications will be made to NSE for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Issue and NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the NSE, our Company shall forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading of Equity Shares at the NSE are taken within three Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act 2013, which is reproduced below:

"Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."*

The liability prescribed under section 447 of the Companies Act involving an amount of at least ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

Consents

Consents of our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, the Legal Counsel to the issue, the Banker to our Company, Architecture, Industry report provider, the BRLM, Statutory Auditor, independent chartered accountant and Registrar to the issue have been obtained, and such consents have not been withdrawn as of the date of this Draft Red Herring Prospectus; and (b) the Syndicate Members, Bankers to the issue/Escrow Bank, Public Offer Account Bank, Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Experts to the issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 19, 2024 from Shah & Taparia, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) examination report, dated September 19, 2024 on our Restated Financial Statements in this Draft Red Herring Prospectus (ii) Statement of Special Tax Benefits dated September 19, 2024 and such consent has not been withdrawn as on the date of filing of this Draft Red

Herring Prospectus.

Our Company has received written consent dated September 19, 2024 from HRU & Associates (Hemanshu Upadhyay), practicing Company Secretary in whole time practice, to include its name as a practicing company secretary under Section 26(5) of the Companies Act and as an “expert” as defined under Section 2(38) of the Companies Act and in respect of their certificate dated September 19, 2024 issued by them in connection with the past compliances of the Company as per applicable laws.

Our Company has received written consent dated September 11, 2024 from M/s FRAMES, (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), to include its name as a Structural Engineer to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 11, 2024, issued by them in connection with the civil work for the objects of the issue.

Our Company has received written consent dated September 12, 2024 from O&A Architects, (Proprietorship firm of Obaid Aziz Hakim), to include its name as an Independent Architect to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 12, 2024, issued by them in connection with the interior work for the objects of the issue.

Consent dated September 19, 2024 from M/s Sharma Anil & Co (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwala), Structural Engineering firm, to include its name Independent Chartered Accountant to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 19, 2024

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in ‘*Capital Structure*’ on page 83, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years

Other than as disclosed in the section titled "*Capital Structure*" on page 83, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or associate.

Performance vis-à-vis Objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue (as defined in the SEBI ICDR Regulations) in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects - Public/rights issue of the listed subsidiary/ promoters of our Company

Our Company does not have any listed promoter or listed subsidiary.

Price information of past issues handled by the Book Running Lead Manager (“BRLM”)

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Unistone Capital Private Limited.

Sr. No.	Issue name	Issue Size (lakhs)	Issue price (₹)	Listing Date	Opening price on Listing Date (in)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
Mainboard IPOs								
1.	Ratnaveer Precision Engineering Limited	1650.32	98	September 11, 2023	123.20	16.63% [-0.93%]	19.90% [7.74%]	30.51% [21.64%]
2.	Valiant Laboratories Limited	1524.60	140	October 06, 2023	162.15	37.75% [-2.15%]	24.89% [10.20%]	12.04% [14.15%]
3.	BLS E-Services Limited	3092.93	135	February 06, 2024	305.00	138.04% [2.57%]	117.59% [2.34%]	64.86% [12.71%]
4.	Exicom Tele-Systems Limited	4,289.99	142	March 05, 2024	265.00	46.41% [0.71%]	113.49% [4.06%]	171.51% [12.88%]
5.	Platinum Industries Limited	2,353.17	171	March 05, 2024	225.00	19.36% [0.71%]	15.32% [4.06%]	143.19% [12.88%]
6.	Saraswati Saree Depot Limited	1,600.13	160	August 20, 2024	194.00	6.98% [2.90%]	-	-
7.	Shree Tirupati Balajee Agro Trading Company Limited	1,696.52	83	September 12, 2024	90.00	-	-	-
8.	Ratnaveer Precision Engineering Limited	1650.32	98	September 11, 2023	123.20	16.63% [-0.93%]	19.90% [7.74%]	30.51% [21.64%]
9.	Valiant Laboratories Limited	1524.60	140	October 06, 2023	162.15	37.75% [-2.15%]	24.89% [10.20%]	12.04% [14.15%]
10.	BLS E-Services Limited	3092.93	135	February 06, 2024	305.00	138.04% [2.57%]	117.59% [2.34%]	64.86% [12.71%]
SME IPO								
11.	Mono Pharmacare Limited	148.40	28	September 7, 2023	29.00	40.18%[-0.37%]	71.61% [6.14%]	128.57% [13.33%]
12.	Unihealth Consultancy Limited	565.49	132	September 21, 2023	135.00	4.85% [-1.01%]	-3.86% [7.13%]	-1.52% [10.51%]
13.	Manglam Infra & Engineering Limited	276.19	56	July 31, 2024	106.40	19.73% [1.14%]	-	-

Source: www.nseindia.com

(1) NSE as Designated Stock Exchange.

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. **Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Unistone Capital Private Limited.**

Financial Year	Total no. of IPOs	Total funds raised (₹ Lakhs)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
Mainboard IPO														
2022-2023	1	1,549.80	-	-	-	1	-	-	-	-	-	-	1	-
2023-2024	5	12,911.01	-	-	-	1	2	2	-	-	-	3	1	1
2024-2025	2	3,296.65	-	-	-	-	-	1	-	-	-	-	-	-
SME IPO														
2022-2023	2	609.44	-	-	-	-	1	1	-	-	-	-	1	1
2023-2024	5	1,692.60	-	-	-	-	2	3	-	-	1	2	1	1
2024-2025	1	276.19	-	-	-	-	-	1	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Manager (“BRLM”)

For details regarding the track record of the BRLM, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLM, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Unistone Capital Private Limited	https://unistonecapital.com

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the issue for a minimum period of Eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchange, in order to enable the investors to approach the Registrar to the issue for redressal of their grievances.

Bidders may contact our Company Secretary and Compliance Officer and/or the Registrar to the issue in case of any Pre-Issue or Post-Issue related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

All Issue related grievances, other than those of Anchor Investors may be addressed to the Registrar to the issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders), date of ASBA Form, and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the issue.

All Issue related grievances of the Anchor Investors may be addressed to the Registrar to the issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

In terms of SEBI master circular (SEBI/HO/CFD/PoD-2/P/CIR/2023/00094) dated June 21, 2023, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular, (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 and SEBI circular, (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 and any subsequent circulars, as applicable, issued by SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same within three months of the date of listing of the Equity Shares with the concerned SCSB. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Separately, pursuant to the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Further, in terms of SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Our Company, the BRLM and the Registrar to the issue accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

For grievance redressal contact details of the BRLM pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 issued by the SEBI, see "**Issue Procedure – General Instructions**" on page 291 of this Draft Red Herring Prospectus.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the issue or the SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be fifteen Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the SCORES platform in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and is in compliance with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company has appointed Sonam Aggarwal, as the Company Secretary and Compliance Officer of our Company, and the Compliance Officer may be contacted in case of any Pre-Issue or Post-Issue related problems. For details, see '**General Information**' on page 74 of this Draft Red Herring Prospectus.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress the shareholders' and investors' grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders' Relationship Committee, please see '**Our Management**' on page 188 of this Draft Red Herring Prospectus.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the issue, except for fees or commission for services rendered in relation to the issue.

Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India (“SEBI”)

Our Company has not sought any exemption from complying with any provisions of securities laws.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue will be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors ("UPI Phase III"), as may be prescribed by SEBI.

Further vide the said circular the Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum Application forms. Investors may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the issue and Depository Participants as and when the same is made available.

THE ISSUE

The issue consists of a fresh Issue and the expenses for the Issue shall be borne by the Company in the manner specified in "Objects of the issue" on page 95 of this Draft Red Herring Prospectus.

AUTHORITY FOR THE PRESENT ISSUE

This Issue is authorized by a resolution of our Board passed at their meeting held on August 09, 2024, which was subject to approval of shareholders through a special resolution to be passed pursuant to Section 62(1) (c) of the Companies Act. The shareholders on August 23, 2024 authorized the issue by a special resolution.

RANKING OF EQUITY SHARES

The Equity Shares being issued pursuant to the issue will be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment in accordance with the provisions of the Companies Act and the Articles of Association. For further details, please see "Description of Equity Shares and Terms of the Articles of Association" beginning on page 325 of this Draft Red

Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who has been Allotted Equity Shares in the issue, for the entire year. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 209 and 325, respectively, of this Draft Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE

The face value of each Equity Share is ₹ 10/- and the issue Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Issue Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (being the regional language of Delhi, where our Registered Office is located) at least two Working Days prior to the Bid/Issue Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares Issued by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with disclosure and accounting norms

Our Company will comply with all disclosures and accounting norms as specified by the SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to all statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI Listing Regulations and our Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 325 of this Draft Red Herring Prospectus.

ALLOTMENT ONLY IN DEMATERIALIZED FORM

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares will be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares will only be in dematerialized form. In this context, our Company has executed 2 (Two) separate agreements amongst the

Depositories and the Registrar to the issue as follows:

- Tripartite Agreement dated November 20, 2023, between our Company, NSDL and the Registrar to the issue.
- Tripartite Agreement dated November 20, 2023, between our Company, CDSL and the Registrar to the issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of NSE (the “NSE EMERGE”) from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, the minimum application size in terms of number of specified securities will not be less than ₹1.00 Lakh per Application. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of NSE (the “NSE EMERGE”) from time to time by giving prior notice to investors at large. For further details, see “Issue Procedure” on page 291 of this Draft Red Herring Prospectus

MINIMUM NUMBER OF ALLOTTEES

In accordance with Regulation 268(1) of the SEBI ICDR Regulations, the minimum number of allottees in this issue must be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected will be refunded within four (4) Working Days of closure of the issue.

JOINT HOLDERS

Subject to provisions of the Articles of Association, where two or more persons are registered as holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

JURISDICTION

The competent courts/authorities in Mumbai will have exclusive jurisdiction for the purpose of this issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and applicable laws of the jurisdiction where the issue occurs.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NOMINATION FACILITY TO INVESTORS

In accordance with Section 72(1) and 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance with Section 72(4) of the Companies Act, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating a nominee. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or at the offices of the Registrar and Transfer Agents of our Company.

In accordance with the Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, must upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, he/she is requested to inform their respective Depository Participant.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre- Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 83 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 325 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of NSE (the "NSE EMERGE").

APPLICATION BY ELIGIBLE NRIs, FPIs or VCFs REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

PRE – ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper; (ii) All editions of Hindi National Newspaper, and the registered office of the company is situated in Ahmedabad, therefore Gujarati is the regional language. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager is not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Book Running Lead Manager, reserves the right to not proceed with the issue, in whole or in part thereof, after the issue Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the newspapers in which the pre- Issue advertisements were published, within 2 (two) days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The Book Running Lead Manager, through the Registrar to the issue, will notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the application amounts to the Investors, within one (1) Working Day from the date of receipt of such notification. Our Company will also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the issue after the issue Closing Date and thereafter determines that it will proceed with the Issue, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

PERIOD OF SUBSCRIPTION LIST OF THE PUBLIC ISSUE

Event	Indicative Date
Issue opening Date	[●]*
Issue closing Date	[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Refunds / unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat account of the Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

Note –

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

**Our Company 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.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Issue closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue period by Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the issue Period (except for the Bid/ Issue closing Date). On the Bid/ Issue closing Date, the Bid-Cum-Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue closing Date maybe extended in consultation with the BRLMs, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Issue closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLMs is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise. In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue closing Date. Allocation to Retail Individual Bidders, in this issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data. Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In case of revision in the Price Band, the Bid/ Issue period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLMs and at the terminals of syndicate members.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Issuer fails to obtain listing or trading permission from the where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from the NSE rejecting the application for listing of , and if any such money is not within four (4) days after the Issuer becomes liable to repay it the Issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue will be refunded 100% underwritten. For details of underwriting arrangement, see “General Information” on page 74 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, the minimum application size in terms of

number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (fifty).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfill following conditions:

- i. The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores.
- ii. The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- iii. The applicant should have been listed on SME platform of the Exchange for at least 3 years.
- iv. The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No 228 proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- v. The company has not received any winding up petition admitted by a NCLT.
- vi. The net worth of the company should be at least 50 crores
- vii. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

MARKET MAKING

The Equity Shares Issued through this issue are proposed to be listed on the NSE EMERGE, wherein the Market Maker to this issue will ensure compulsory Market Making through the registered Market Makers of the NSE for a minimum period of 3 years from the date of listing on the NSE EMERGE. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to the section "*General Information*", on page 74 of this Draft Red Herring Prospectus.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI ICDR Regulations, whereby, an Issuer whose post Issue paid-up capital is more than ₹1000 lakhs and up to ₹2500 lakhs, may issue shares to the public and propose to list the same on the NSE Emerge. For further details regarding the salient features and terms of such an issue please see “*Terms of the issue*” and “*Issue Procedure*” beginning on pages 280 and 291, respectively of this Draft Red Herring Prospectus.

Initial Public Offer of 65,70,000 Equity Shares of ₹10 each (the “**Equity Shares**”) of Suba Hotels Limited for cash at a price of ₹ [●] per Equity Share (the “**Issue Price**”), aggregating to ₹ [●] lakhs (the “**Issue**”). Out of the total issue, [●] equity shares aggregating to ₹ [●] lakhs will be reserved for subscription by market maker (“**Market Maker Reservation Portion**”). The Issue less the market maker reservation portion i.e. issue of [●] equity shares of face value of ₹ 10 each at an Issue price of ₹ [●] /- per equity share aggregating to ₹ [●] lakhs are 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.

The Issue is being made by way of Book Building Process:

Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●]% of the issue Size	Not more than 50.00% of the Net issue size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15.00% of the issue shall be available for allocation.	Not less than 35.00% shall be available for allocation.
Basis of Allotment	Firm Allotment	Proportionate as Follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to Availability of Equity Shares in the

Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		allocation on a Proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” beginning on page 291.		Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on page 291.
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000	Such number of Equity shares in multiple of [●] Equity Shares such that the Application size must not be less than ₹2,00,000	Such number of Equity shares in multiple of [●] Equity Shares such that the Application size does not exceed ₹2,00,000
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity shares in multiple of [●] Equity Shares that the Application size does not exceed ₹2,00,000
Mode of Allotment	Dematerialised Form			
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof

Particulars of the issue	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
	the SEBI ICDR Regulations			
Terms of Payment	Full application amount will be blocked by the SCSBs in the bank account of the Applicant including UPI ID in case of UPI Bidders, that is specified in the Application Form at the time of submission of the Application Form.			

Note:

1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLMs, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this issue.
3. SCSBs applying in the issue must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLMs, our Company and NSE EMERGE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. In case, the Company wishes to withdraw the issue after Bid/ Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper, where the Registered office of the Company is situated.

The Book Running Lead Manager, through the Registrar to the issue, will instruct the SCSBs, to unblock the ASBA

Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. In case our Company withdraws the issue after the issue Closing Date and subsequently decides to undertake a public issue of Equity Shares, our Company will file a fresh Issue document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Draft Red Herring Prospectus.

JURISDICTION

The competent courts / authorities in Mumbai will have exclusive jurisdiction for the purpose of this issue.

ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLMs would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

All Applicants should read the General Information Document for Investing in Public Issue (“**GID**”) prepared and issued in accordance with the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and UPI Circulars which highlight the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange, the Company and the Book Running Lead Manager, before opening of the issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the issue; (ii) maximum and minimum Bid size; (iii) allocation of shares; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the issue; (vi) General Instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective up to June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”), Further pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 the timeline was extended for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID- 19 pandemic, the final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIIs (“**UPI Phase III**”), as may be prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from Issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

The issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of the Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings whose application sizes are up to ₹500,000 must use the UPI Mechanism. Subsequently, pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after

September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE EMERGE to act as intermediaries for submitting Application Forms are provided on <https://www.nseindia.com/products-services/emerge-platform-about-sme>. For details on their designated branches for submitting Application Forms, please see the above-mentioned website of NSE EMERGE SME.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the abovementioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE EMERGE to act as intermediaries for submitting Application Forms are provided on <https://www.nseindia.com/products-services/emerge-platform-about-sme>. For details on their designated branches for submitting Application Forms, please refer the above-mentioned NSE EMERGE website.

Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus and the Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

BOOK BUILT PROCEDURE

The issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the , allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor. Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the issue Price. Further, not less than 15.00% of the issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35.00% of the issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicant’s depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicant’s PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized

subsequent to allotment.

AVAILABILITY OF DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS, PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLMs to the issue, Registrar to the issue as mentioned in the Application form.

An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE EMERGE at <https://www.nseindia.com/products-services/emerger-platform-about-SME>.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued circulars bearing No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “**UPI Circulars**”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment Mechanism, the UPI Circulars propose to introduce and implement the UPI payment Mechanism in three phases in the following manner:

Phase I: This phase is applicable from January 1, 2019 and will continue up to June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing would continue to be six Working Days.

Phase II: This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount will be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The issue will be made under UPI Phase III of the UPI Circulars.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the Sponsor Bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 05, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLMs.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE EMERGE at <https://www.nseindia.com/products-services/emerget-platform-about-sme.at> at least one day prior to the Bid/Issue opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the issue only through the ASBA process. Anchor Investors are not permitted to participate in the issue through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their

ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	White
Anchor Investors	White

**Excluding electronic Bid cum Application Form*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.*
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.*
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.*
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals.*

ELECTRONIC REGISTRATION OF BIDS

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the issue.
- On the Bid/ Issue closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Bid/ Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue period after which the Stock Exchange(s) send the Application information to the Registrar to the issue for further processing.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

An Investor, intending to subscribe to this issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub – syndicate member)
3.	A stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by Investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSB's	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

WHO CAN APPLY

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest

in the Equity Shares under their respective constitutional and charter documents;

4. Mutual Funds registered with SEBI;
5. Eligible NRIs on repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Any other person eligible to apply in this issue, under the laws, rules, regulations, guidelines and policies applicable to them.
23. Applications not to be made by:
 - (a) Minors (except through their Guardians);
 - (b) Partnership firms or their nominations;
 - (c) Foreign Nationals (except NRIs);
 - (d) Overseas Corporate Bodies.

As per the existing regulations, OCBs are not eligible to participate in this issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under

the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this issue provided it obtains prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

PARTICIPATION BY ASSOCIATES OF BRLM

The BRLMs shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs may subscribe to Equity Shares in the issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLMs, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, BRLMs to the issue and The Registrar to the issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE ENERGIE i.e. <https://www.nseindia.com/products-services/emerge-platform-about-sme>.

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs

Application must be made only in the names of individuals, limited companies or Statutory Corporations/ institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUF's, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares issued to the public.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF BOOK RUNNING LEAD MANAGER, PROMOTERS, PROMOTERS GROUP AND PERSONS RELATED TO PROMOTER/PROMOTERS GROUP

The Book Running Lead Manager shall not be allowed to purchase Equity Shares in this issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager may subscribe to or purchase Equity Shares in the issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants. Such applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Manager, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the Book Running Lead Manager or any associates of the Book Running Lead Manager, except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Book Running Lead Manager nor; (ii) any "person related to the Promoters and members of the Promoters Group" shall apply in the issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to

the Promoters and members of the Promoters Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoters Group will not participate in the issue.

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATION BY HUFs

Applications by HUF can be made in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of the Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Form should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and Eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date

of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color).

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 323 of this Draft Red Herring Prospectus.

APPLICATION BY FIIs/ FPIs

In terms of the SEBI FPI Regulations, an FPI who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations.

An FPI 2019 or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the issue until the expiry of its registration with SEBI as an FPI or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FPIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. [An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.]

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on August 8, 2024) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, a FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

The FPIs who wish to participate in the issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the issue.

APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of the certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of the certificate of registration issued by IRDA must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDAI Investment Regulations**”) are set forth below:

- (a) Equity shares of a company: the lower of 10%* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) The industry sector in which the investee company operates; not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii)

above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,00,000 lakhs or more but less than ₹25,000,000 lakhs.*

Insurer companies participating in this issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time, including the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹25 crores, a certified copy of the certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company, in consultation with the Book Running Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY BANKING COMPANIES

Applications by banking Companies: In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee must be attached to the Application Form, failing which our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by systemically important non-banking financial companies registered with RBI, certified copies of: (i) the certificate of registration issued by the RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important NBFCs participating in the issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

APPLICATIONS BY SCSBs

SCSBs participating in the issue must comply with the terms of the SEBI circulars Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issue and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500 lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹2,500 lakhs (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLMs may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus or the Prospectus.

MAXIMUM AND MINIMUM APPLICATION SIZE

For Retail Individual Investors

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2.00 lakhs. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2.00 lakhs.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2.00 lakhs and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the issue Closing Date and is required to pay 100% QIB Margin upon submission of the Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, must ensure that the Application Amount is greater than ₹2.00 lakhs for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

INFORMATION FOR THE APPLICANTS:

- (a) Our Company will file a copy of Red Herring Prospectus with the Registrar of Companies, Delhi, at least 3 (three) days before the issue Opening Date.
- (b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the BRLMs.
- (c) Applicants who are interested in subscribing for the Equity Shares should approach the BRLMs or their authorized agent(s) to register their applications.
- (d) Applications made in the name of minors and/ or their nominees shall not be accepted.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB 's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the issue are not located may submit/mail their applications at their sole risk along with Demand payable at [●].

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE EMERGE Limited i.e. <https://www.nseindia.com/products-services/emerge-platform-about-sme>.

BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Bid cum application form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code and occupation (hereinafter referred to as Demographic Details'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation Advice. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the issue.

By signing the Bid Cum Application Form, the Bidders would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the issue, the required Demographic Details as available on its records.

SUBMISSION OF BIDS

- 1. During the Bid/ Issue period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- 2. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

3. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Flow of Events from the closure of bidding period (T DAY) Till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file/ Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSBs to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+ 1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawl numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket/batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawl of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th Application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the over subscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non-allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

Allotment will be made in consultation with the 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).

For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted [●] Equity shares; and
2. 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.

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 nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.

If the Shares allotted 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. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net issue of shares to the public shall be made available for allotment to:
 - (a) Individual applicants other than retail individual investors; and
 - (b) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investors' means an investor who applies for shares of value of not more than ₹2.00 lakhs. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange. The Executive Director / Managing Director of the Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

INFORMATION FOR BIDDERS

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLMs are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals; All Applicants should submit their applications through the ASBA process only;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. All Bidders should submit their Bids through the ASBA process only
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
6. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
7. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
9. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
10. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
11. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;
12. RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
13. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
14. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
15. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
17. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
18. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
19. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
20. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
21. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
22. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
23. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders

should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

24. Ensure that the Demographic Details are updated, true and correct in all respects;
25. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
26. Ensure that the category and the investor status is indicated;
27. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
28. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
29. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
30. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
31. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
32. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
33. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
34. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA
35. Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
36. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
37. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
38. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Issue closing Date;
39. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
40. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
41. Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the issue.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode, other than blocked amounts in the bank account maintained with SCSB;

4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
5. RIBs should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
6. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not submit the Application Forms to any non-SCSB bank or our Company;
8. Do not apply on Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit more than one Application Form per ASBA Account;
11. Do not apply for an Application Amount exceeding ₹200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the issue;
15. Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
16. All investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
17. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

OTHER INSTRUCTION FOR BIDDERS

Joint Applications in the case of Individuals

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the issue to detect multiple applications are given below:

- (a) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.

- (b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLMs reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the "General Information Document", Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Bids submitted without instruction to the SCSBs to block the entire Application Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue closing Date, unless extended by the Stock Exchange.
15. Applications by OCBs.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. “*

SIGNING OF UNDERWRITING AGREEMENT

Our Company has entered into an Underwriting Agreement dated [●].

FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

A copy of the Prospectus will be filed with the ROC in terms of Section 26 of Companies Act.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL/ CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (i) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the issue on November 20, 2023.
- (ii). We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the issue on November 20, 2023,

The Company's International Securities Identification Number (ISIN) is INE0RUJ01013.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

TERMS OF PAYMENT

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the issue and the Registrar to the issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, may use UPI.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this issue.

PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS

Our Company, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the issue to facilitate collections of Bid amounts from Anchor Investors.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the ROC, publish a pre-issue Advertisement, in the form prescribed by the SEBI ICDR Regulations, in (i) all editions of English National Newspaper; (ii) all editions of Hindi National Newspaper; and (iii) Regional Newspaper where registered office of the Company is situated, each with wide circulation. In the pre-issue advertisement, we shall state the Bid/ Issue opening Date and the Bid/ Issue closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the issue shall upload the same on its website. On the basis of approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the issue Closing Date. The issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorized employees of the Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares issued through the issue document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.

The company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE, where the equity shares are proposed to be listed are taken with three (3) working days of the closure of the issue.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Applicants have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the issue Period.
2. The issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue period not exceeding 10 Working Days.
3. During the issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a

separate application and generate a TRS and give the same to the applicant.

7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediary shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediary shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue account. In case of withdrawal/ failure of the issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the issue.

TERMS OF PAYMENT

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the issue and the Registrar to the issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the issue and consequent transfer of the Application Amount to the Public Issue account, or until withdrawal / failure of the issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to:
 - (i) applications accepted by them;
 - (ii) applications uploaded by them;
 - (iii) applications accepted but not uploaded by them; or
 - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts.

In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to:
 - (i) applications accepted by any Designated Intermediaries;
 - (ii) applications uploaded by any Designated Intermediaries; or
 - (iii) applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the issue. This facility will be available at the terminals of the Designated Intermediaries and their authorized agents during the issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off- line electronic registration of applications subject to the condition that they will subsequently upload the off- line data file into the online facilities on a regular basis. On the issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
 - (a) Name of the Applicant;
 - (b) IPO Name;
 - (c) Application Form Number;
 - (d) Investor Category;
 - (e) PAN (of First Applicant, if more than one Applicant);
 - (f) DP ID of the demat account of the Applicant;
 - (g) Client Identification Number of the demat account of the Applicant;
 - (h) Number of Equity Shares Applied for;
 - (i) Bank Account details;
 - (j) Locations of the Banker to the issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - (k) Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our

Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters OR Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the issue Period, after which the Registrar to the issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the issue Closing Date to send confirmation of funds blocked (Final certificate) to the Registrar to the issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

Our Company has entered into an Underwriting Agreement dated [●].

A copy of the Prospectus will be filed with the ROC in terms of Section 26 of Companies Act.

ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the issue.
2. On the basis of approved Basis of Allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
3. The issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 Working Days of the issue Closing date. The issuer also ensures that credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue account to Public Issue account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into the Public Issue account with the Bankers to the issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the

allotted securities to the respective beneficiary accounts, if any, within a period of 4 Working Days of the issue Closing Date. The Company will intimate details of allotment of securities to the Depository immediately on allotment of securities under the relevant provisions of the Companies Act or other applicable provisions, if any.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the ROC, publish a pre-issue Advertisement, in the form prescribed by the SEBI ICDR Regulations, in (i) all editions of English National Newspaper; (ii) all editions of Hindi National Newspaper; and (iii) Regional Newspaper where registered office of the Company is situated, each with wide circulation.

GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document”, Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
4. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Application Form;
5. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
6. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
7. DP ID and Client ID not mentioned in the Application Form;
8. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
9. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
10. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
11. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
12. Applications submitted on a plain paper;
13. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;>
14. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
15. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 296 of this Draft Red Herring Prospectus;
16. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
17. Application submitted without the signature of the First Applicant or sole Applicant;

18. Applications by a person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular No. (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
19. GIR number furnished instead of PAN;
20. Application by Retail Individual Investors with Application Amount for a value of more than ₹200,000;
21. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
22. Applications by Applicants accompanied by cheques or demand drafts;
23. Applications accompanied by stock invest, money order, postal order or cash;
24. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the issue, the required Demographic Details as available on its records.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this issue should be addressed to the Registrar to the issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the issue in case of any pre-issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 6 (Six) Working Days from Issue closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under the SEBI (ICDR) Regulations, the Companies Act and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

INVESTOR GRIEVANCE

In case of any pre-issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors may reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “General Information” on page 74 of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447. “

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs.10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less

than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs. 10 lakhs or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs. 50 lakhs or with both.

DEPOSITORY ARRANGEMENTS

The Allotment of the Equity Shares in the issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the issue:

1. Agreement dated November 20, 2023, among NSDL, our Company and the Registrar to the issue.
2. Agreement dated November 20, 2023, among CDSL, our Company and Registrar to the issue.

Our Company's equity shares bear an ISIN No. INE0Q8P01011.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of the issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for completion of the necessary formalities for listing and commencement of trading on NSE where the Equity Shares are proposed to be listed within six (6) Working Days from Issue closing date.
3. If our Company does not proceed with the Issue after the Issue Opening Date but before Allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-issue advertisements were published. The NSE on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
5. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. That our Promoter's contribution in full has already been brought in;
7. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
9. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI Regulations and applicable law for the delayed period;
11. The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
12. None of the Promoters or Directors of our Company is a willful defaulter under Section 5(c) of SEBI ICDR

Regulations.

UTILISATION OF NET PROCEEDS

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act;
2. Details of all monies utilized out of the Issue referred to above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“DPIIT”) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs had notified the FEMA rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA rules. Further in terms of Press Note 3 of 2020, dated April 17, 2020 (“Press Note”), issued by the DPIIT, the FDI Policy and the FEMA NDI Rules have been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2024, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by the Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issuer in writing about such approval along with a copy thereof within the Issue Period.

In accordance with the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for companies in the “manufacturing” sector. Further, transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “Issue Procedure –Bids by Eligible Non-Resident Indians” and “Issue Procedure –Bids by Foreign Portfolio Investors” on pages 299 and 300, respectively.

In accordance with the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issued and sold only (a) to persons in the United States that are “qualified institutional buyers” (as defined in and in reliance on Rule 144A) and referred to in this Draft Red Herring Prospectus as “U.S. QIBs” and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions

exempt from or not subject to the registration requirements of the U.S. Securities Act and (b) outside the United States in “offshore transactions” (as defined in Regulation S) in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

****The Articles of Associations were altered pursuant to the Special Resolution passed by the members of the Company in the Extra Ordinary General Meeting of the Company held on November 06, 2023 as per the provisions of Companies Act, 2013.**

****THE COMPANIES ACT, 2013**

COMPANY LIMITED BY SHARES

(Incorporated Under Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

****** SUBA HOTELS LIMITED**

I. Interpretation

- 1) In these regulations -
 - (a) “The Act” means the Companies Act 2013
 - (b) “The seal” means the common seal of the company.
- 2) Unless the context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

****Name of the company be changed vide Special Resolution passed in EGM held on 07th May, 2008***

*****Name of the Company be changed vide Special Resolution passed in EGM held on 22nd September, 2014***

****** Name of the Company be changed vide Special Resolution passed in EGM held on 05th October, 2023***

Definition of Private Company be changed vide Special Resolution passed in EGM held on 22nd September, 2014.

******* Pursuant to conversion from Private Company to a Public Company, name of the Company be changed vide Special Resolution passed in EGM held on 06th November, 2023***

II. Share Capital and Variation of rights

1. The Authorized Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with powers to increase or reduce the Share Capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify abrogate any such rights, privileges of conditions in such manner as may be provided by regulations of the Company and consolidate or subdivide the shares and issue share of higher or lower denomination. By way ordinary resolution.
2. Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
3. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided-

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates each for one or more of his shares upon payment of twenty rupees for each certificate after the first.

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon. In respect of any share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

4. If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
5. Except as required by law no person shall be recognized by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
6. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
7. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 48 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply but so that the necessary quorum shall be at least two persons holding at least one third of the issued shares of the class in question.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
9. Subject to the provisions of section 55 any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.

III. Lien

10. The company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a single person for all monies presently payable by him or his estate to the company. Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien if any on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
11. The company may sell in such manner as the Board thinks fit any shares on which the company has a lien. Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

12. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
13. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

IV. Calls on shares

14. The Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. Each member shall subject to receiving at least fourteen days' notice specifying the time or times and place of payment pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.
15. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
18. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
19. The Board may if it thinks fit receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him and upon all or any of the monies so advanced may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding unless the company in general meeting shall otherwise direct twelve per cent per annum as may be agreed upon between the Board and the member paying the sum in advance.

V. Transfer of shares

20. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
21. The Board may subject to the right of appeal conferred by section 58 decline to register the transfer of a share not being a fully paid share to a person of whom they do not approve or any transfer of shares on which the company has a lien.
22. The Board may decline to recognise any instrument of transfer unless the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56. The instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, the instrument of transfer is in respect of only one class of shares.

23. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
24. The provisions of these Articles for transfer and transmission of shares, shall mutatis mutandis apply to the transfer or transmission of any debentures of the Company.

VI. Transmission of shares

25. On the death of a member the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only persons recognised by the company as having any title to his interest in the shares Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
26. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
27. If the person so becoming entitled shall elect to be registered as holder of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share. All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
28. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

VII. Forfeiture of shares

29. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.
30. The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named the shares in respect of which the call was made shall be liable to be forfeited.
31. If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.
32. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.

33. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture remain liable to pay to the company all monies which at the date of forfeiture were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
34. A duly verified declaration in writing that the declarant is a director the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of The transferee shall thereupon be registered as the holder of the share and The transferee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
35. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

VIII. Alteration of capital

36. The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution.
37. Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
38. Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. the holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
39. The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

IX. Capitalization of profits

40. The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (iii) either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B) A securities premium account and a capital redemption

reserve account may for the purposes of this regulation be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members.

X. Buy-back of shares

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities.

XI. General meetings

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.
44. The Board may whenever it thinks fit call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

XII. Proceedings at general meetings

45. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.
46. The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company.
47. If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting the directors shall elect one of their members to be Chairperson of the meeting.
48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting.

XIII. Adjournment of meeting

49. The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

XIV. Voting rights

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of

hands every member present in person shall have one vote and on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.
54. Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

XV. Proxy

57. The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XVI. Board of Directors

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The number of directors shall not be less than 3 (Three) or more than 15 (Fifteen). The Directors shall be appointed by the Board of Directors.

The First Directors of the Company shall be:

1. Sureshkumar Jivrajbhai Suchak
 2. Kanhaiyalal Jivrajbhai Suchak
 3. Jaysukhlal Girdharlal Gadhia
 4. Manish Jaysukhlal Gadhia
61. The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the company.

62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques promissory notes drafts hundis bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
66. Subject to the provisions of section 149 the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

XVII. Proceedings of the Board

67. The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board.
68. Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.
69. The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose.
70. The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the directors present may choose one of their number to be Chairperson of the meeting.
71. The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
72. A committee may elect a chairperson of its meetings. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their members to be Chairperson of the meeting.
73. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairperson shall have a second or casting vote.
74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
75. Save as otherwise expressly provided in the Act a resolution in writing signed by all the members of the

Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be valid and effective as if it had been passed at a meeting of the Board or committee duly convened and held.

XVIII. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

76. Subject to the provisions of the Act A chief executive officer manager company secretary or chief financial officer may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and any chief executive officer manager company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. A director may be appointed as chief executive officer manager company secretary or chief financial officer.
77. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer manager company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of chief executive officer manager company secretary or chief financial officer.

XIX. The Seal

78. The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

XX. Dividends and Reserve

79. The company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
80. Subject to the provisions of section 123 the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
81. The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may from time to time thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.
82. Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
83. The Board may deduct from any dividend payable to any member all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
84. Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

85. Any one of two or more joint holders of a share may give effective receipts for any dividend's bonuses or other monies payable in respect of such share.
86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
87. No dividend shall bear interest against the company.

XXI. Accounts

88. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

XXII. Winding up

89. Subject to the provisions of Chapter XX of the Act and rules made thereunder If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

XXIII. Indemnity

90. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Issue Agreement dated September 22, 2024, amongst our Company, and the Book Running Lead Manager.
2. Registrar Agreement dated August 29, 2024, executed amongst our Company, and the Registrar to the issue.
3. Public Issue Account and Sponsor Bank Agreement dated [●] among our Company, the Syndicate Member, the Book Running Lead Manager, the Banker to the issue and the Registrar to the Issue.
4. Underwriting Agreement dated [●] amongst our Company, the Book Running Lead Manager and the Underwriter and the Market Maker.
5. Syndicate Agreement dated [●] between our Company, the Registrar to the Issue, the Book Running Lead Manager and the Syndicate Member.
6. Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated October 23, 1997, issued by the Registrar of Companies, Mumbai in the name of "Trupti Supercaterers & Hotels Private Limited."
3. Fresh Certificate of incorporation dated October 8, 2014, issued to our Company by the Registrar of Companies, Mumbai pursuant to the change in name from "Trupti Supercaterers & Hotels Private Limited" to "Hotel Suba Star Private Limited"
4. Fresh Certificate of incorporation dated November 17, 2023, issued to our Company by the Registrar of Companies, Ahmedabad, pursuant to the conversion of our Company from Private Limited to a Public Company in the name of "Suba Hotels Limited"
5. Copy of the Board Resolution dated August 09, 2024 authorizing the issue and other related matters.
6. Copy of Shareholder's Resolution dated August 23, 2024 authorizing the issue and other related matters.
7. The Examination Report dated August 30, 2024 of the Statutory Auditors, on our Restated Consolidated Financial Statements.
8. Copy of the Statement of Tax Benefits dated September 19, 2024 from the Statutory Auditor.
9. Scheme of Amalgamation and Demerger of Zircon Hotels Private Limited ("Transferor I"), Zircon Hospitality Private Limited ("Transferor II"), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite ("Demerged Entity") of Suba Palace Private Limited ("Transferor III") with Hotel Suba Star Private Limited ("Transferee")
10. Master Franchise Agreement dated May 13, 2022, between Choice Hotels Licensing B.V and Hotel Suba Star Private Limited
11. Consents of the Book Running Lead Manager, Syndicate Member, Legal Advisor to the issue, Registrar to the issue, Underwriter, Banker to our Company, Banker to the issue / Sponsor Bank, Statutory Auditor of the

Company, Independent Chartered Accountant, Market Maker, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.

12. Consent letter dated September 19, 2024 from the Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their Examination Report, dated August 30, 2024 on our Restated Consolidated Financial Statement; (ii) the statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders; and (iii) in respect of their certificates in connection with the issue.
13. Industry Report titled "India Hospitality Industry Overview" dated July 2024, prepared and issued by Jones Lang LaSalle Property Consultants (India) Private Limited, commissioned and paid for by our company and engagement letter dated August 22, 2023.
14. Certificate on Key Performance Indicators issued by Statutory and Peer Review Auditor dated September 19, 2024
15. Resolution passed by Audit Committee for Key Performance Indicators dated August 30, 2024.
16. Consent dated September 11, 2024 from M/s FRAMES (Proprietorship firm of Mohd Furkhan Ibrahim Pettiwalla), Structural Engineering firm, to include its name as a Structural Engineer to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 11, 2024 issued by them in connection with the Civil work for object of the issue.
17. Consent dated September 12, 2024 from M/s O & A Architects (Proprietorship firm of Obaid Aziz Hakim), Structural Engineering firm, to include its name as an Independent Architect to be defined as an expert under Section 2(38) of the Companies Act and in respect of their certificate dated September 12, 2024 issued by them in connection with the estimated costs for furniture, fixtures, machinery, equipment, appliances, hardware, and other related services and Implementation plan.
18. Copies of Audited Consolidated and Standalone Financial Statements of our Company for the financial years ended March 31, 2024, 2023 & 2022.
19. Tripartite Agreement dated November 20, 2023, among CDSL, the Company and the Registrar to the issue.
20. Tripartite Agreement dated November 20, 2023, among NSDL, the Company and the Registrar to the issue.
21. Due Diligence Certificate dated September 22, 2024 from the Book Running Lead Manager.
22. In Principle approval from NSE Emerge vide letter dated [●] to use the name of [●] in the issue Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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

Sd/-

Mansur Mehta

(Chairman and Managing Director)

Place: China

Date: September 22, 2024

DECLARATION

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

Sd/-

Mubeen Mehta

(Whole-time Director and CEO)

Place: Mumbai

Date: September 22, 2024

DECLARATION

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

Sd/-

Girish Bhatt
(Executive Director)

Place: Mumbai
Date: September 22, 2024

DECLARATION

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

Sd/-

Sunil Patel

(Independent Director)

Place: Mumbai

Date: September 22, 2024

DECLARATION

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

Sd/-

Chandrashekar Payannavar
(Independent Director)

Place: Mumbai

Date: September 22, 2024

DECLARATION

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

Sd/-

Nidhi Shah
(Independent Director)

Place: Mumbai
Date: September 22, 2024

DECLARATION

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

Sd/-

Darshan Shah
(Chief Financial Officer)

Place: Mumbai
Date: September 22, 2024

DECLARATION

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

Sd/-

Sonam Aggarwal
(Company Secretary and Compliance Officer)

Place: Mumbai

Date: September 22, 2024