*(Please Scan this QR Code to view the RHP)*

# GRAND CONTINENT HOTELS LIMITED

*(Formerly known as "Grand Continent Hotels Private Limited")*

**CIN: U55101TN2011PLC083100**

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | EMAIL AND TELEPHONE | WEBSITE |
|---|---|---|---|---|
| S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India. | Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India. | Ms. Aastha Kochar Company Secretary and Compliance Officer | **Email:** cs@grandcontinenthotels.com **Tel:** 080 4165 6491 | https://grandcontinenthotels.com/ |

**PROMOTERS OF OUR COMPANY: MR. RAMESH SIVA AND MRS. VIDYA RAMESH**

**DETAILS OF THE OFFER TO PUBLIC**

| TYPE | FRESH ISSUE SIZE | OFFER FOR SALE SIZE | TOTAL OFFER SIZE | ELIGIBLITY AND RESERVATION |
|---|---|---|---|---|
| Fresh Issue and an Offer for Sale | Up to 62,60,400 Equity Shares of the face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs | Up to 3,28,800 Equity Shares of the face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs | Up to 65,89,200 Equity Shares of the face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs | The Offer is being made in terms of Regulation 229(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"). For further details, refer section titled "*Other Regulatory and Statutory Disclosures –Eligibility for the Offer*" on page 318 of this Red Herring Prospectus. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors and Eligible Employees (*defined below*), refer section titled "*Offer Structure*" on page 341 of this Red Herring Prospectus. |

**OFFER FOR SALE**

**DETAILS OF OFFER FOR SALE, PROMOTER SELLING SHAREHOLDER AND WEIGHTED AVERAGE COST OF ACQUISTION**

| NAME OF THE SELLING SHAREHOLDER | TYPE | NUMBER OF EQUITY SHARES OFFERED/ AMOUNT | WEIGHTED AVERAGE COST OF ACQUISITION* (IN ₹ PER EQUITY SHARE) |
|---|---|---|---|
| Mr. Ramesh Siva | Promoter Selling Shareholder | Up to 3,28,800 Equity Shares of face value ₹ 10/- each aggregating up to ₹ [●] Lakhs. | 2.71 |

**As certified by M/s Bhuta Shah & Co LLP., Chartered Accountants, by way of their certificate dated March 13, 2025.*

**DETAILS IN RELATION TO FLOOR PRICE, CAP PRICE AND MINIMUM BID LOT**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE FLOOR PRICE IS ₹ 107 PER EQUITY SHARE WHICH IS 10.70 TIMES OF THE FACE VALUE AND THE CAP PRICE IS ₹113 PER EQUITY SHARE WHICH IS 11.30 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 1,200 EQUITY SHARES AND IN MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER.**

**RISKS IN RELATION TO THE FIRST OFFER**

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 Offer Price as determined by our Company, in consultation with the Book Running Lead Manager, in accordance with SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 128 of this Red Herring Prospectus in accordance with the SEBI ICDR Regulations 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 investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" beginning on page 38 of this Red Herring Prospectus.

**OUR COMPANY'S AND PROMOTER SELLING SHAREHOLDER'SABSOLUTE RESPONSIBILTY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respects. Further, the Promoter Selling Shareholder, accepts responsibility for and confirms that the statements made or confirmed by such Promoter Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business.

| LISTING | | |
|---|---|---|
| The Equity Shares Offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time. Our Company has received 'in-principle' approval from NSE EMERGE for the listing of the Equity Shares pursuant to its letter dated February 28, 2025. For the purpose of this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("**NSE**"). | | |
| **BOOK RUNNING LEAD MANAGER TO THE OFFER** | | |
| **Name & Logo** | **Contact Person** | **Email & Telephone** |
| **INDORIENT FINANCIAL SERVICES LIMITED** | **Mr. Ivor Anil Misquith** | **E-mail:** compliance-ifsl@indorient.in<br>**Tel:** +91 79772 12186 |
| **REGISTRAR TO THE OFFER** | | |
| **Name & Logo** | **Contact Person** | **Email & Telephone** |
| **MUFG Intime India Private Limited**<br>*(Formerly Link Intime India Private Limited)* | **Ms. Shanti Gopalkrishnan** | **E-mail:** grandcontinent.ipo@linkintime.co.in<br>**Tel:** +91 81081 14949 |
| **BID/OFFER PERIOD** | | |
| **ANCHOR PORTION OFFER OPENS/CLOSES ON: WEDNESDAY, MARCH 19, 2025*** | **BID/OFFER OPENS ON: THURSDAY, MARCH 20, 2025** | **BID/OFFER CLOSES ON: MONDAY, MARCH 24, 2025**#** |

* Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.
** Our Company, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
# UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

# GRAND CONTINENT HOTELS LIMITED

*(Formerly known as "Grand Continent Hotels Private Limited")*

**CIN: U55101TN2011PLC083100**

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Grand Continent Hotels Private Limited" pursuant to certificate of incorporation dated November 11, 2011 issued by the RoC, Chennai, Tamil Nadu bearing Corporate Identity Number U55101TN2011PTC083100. Subsequently, our Company was converted into public limited company pursuant to special resolution passed in the EGM held on May 27, 2024, and consequently, the name of our Company was changed to "Grand Continent Hotels Limited" and a fresh certificate of incorporation dated August 30, 2024 consequent upon conversion from private company to public company was issued by RoC, Central Processing Centre bearing CIN U55101TN2011PLC083100. For further details please refer to section titled "*History and Certain Other Corporate Matters*" beginning on page 196 of this Red Herring Prospectus.

**Registered Office:** S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.
**Corporate Office:** Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India.
**Contact Person**: Ms. Aastha Kochar, Company Secretary and Compliance Officer
**Tel**: +91 80 4165 6491; **E-mail**: cs@grandcontinenthotels.com; **Website**: https://grandcontinenthotels.com

**PROMOTERS OF OUR COMPANY: MR. RAMESH SIVA AND MRS. VIDYA RAMESH**

**INITIAL PUBLIC OFFERING OF UPTO 65,89,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF GRAND CONTINENT HOTELS LIMITED ("OUR COMPANY" OR "GCHL" OR "THE ISSUER") AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("OFFER") COMPRISING OF A FRESH ISSUE OF UP TO 62,60,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,28,800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [●] LAKHS BY MR. RAMESH SIVA (THE "PROMOTER SELLING SHAREHOLDER").**

**THE OFFER INCLUDES A RESERVATION OF 3,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING TO ₹ [●] LAKHS (CONSTITUTING UP TO 5.01% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION") AND A RESERVATION OF UP TO 12,000 EQUITY SHARES, AGGREGATING UP TO ₹ [●] LAKHS (CONSTITUTING UP TO 0.18% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION AND EMPLOYEE RESERVATION PORTION I.E. OFFER OF 62,47,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND NET OFFER WILL CONSTITUTE 26.44% AND 25.07% RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT HAS BEEN DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ENGLISH EDITION OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND HINDI EDITION OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND CHENNAI EDITION OF DINA KURAL, A REGIONAL NEWSPAPER (A WIDELY CIRCULATED TAMIL DAILY NEWSPAPER, TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE FLOOR PRICE IS ₹ 107 PER EQUITY SHARE WHICH IS 10.70 TIMES OF THE FACE VALUE AND THE CAP PRICE IS ₹113 PER EQUITY SHARE WHICH IS 11.30 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 1,200 EQUITY SHARES AND IN MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER.**

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding ten Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band, and the revised Bid/Offer 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 BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, 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 Offer 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer 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 Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported 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 Offer through the ASBA process. For details, refer "*Offer Procedure*" beginning on page 347 of this Red Herring Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled "*Offer Procedure*" beginning on page 347 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST OFFER**

The face value of the Equity Shares is ₹ 10/- The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 128 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 RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 38 of this Red Herring Prospectus.

**OUR COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILTY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 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. Further, the Promoter Selling Shareholder, accepts responsibility for and confirms that the statements made or confirmed by such Promoter Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business.

| LISTING | |
|---|---|
| The Equity Shares Offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("**NSE EMERGE**") in terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time. Our Company has received 'in-principle' approval from NSE for the listing of the Equity Shares pursuant to its letter dated February 28, 2025. For the purpose of this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Ltd. ("**NSE**"). | |
| **BOOK RUNNING LEAD MANAGER TO THE OFFER** | **REGISTRAR TO THE OFFER** |
| **INDORIENT FINANCIAL SERVICES LIMITED**<br>B/805, Rustomjee Central Park, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India.<br>**Tel No:** +91-79772 12186<br>**E-mail:** compliance-ifsl@indorient.in<br>**Investor Grievance E-mail**: wecare@indorient.in<br>**Website:** www.indorient.in<br>**Contact Person:** Mr. Ivor Anil Misquith<br>**SEBI Registration No:** INM000012661<br>**CIN:** U67190DL1993PLC052085 | **MUFG Intime India Private Limited** *(Formerly Link Intime India Private Limited)*<br>C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli (West), Mumbai - 400083, Maharashtra, India.<br>**Tel No.:** +91 810 811 4949<br>**Fax No.** +91 22 4918 6060<br>**E-mail:** grandcontinent.ipo@linkintime.co.in<br>**Investor Grievance Email:** grandcontinent.ipo@linkintime.co.in<br>**Website:** www.linkintime.co.in<br>**Contact Person:** Ms. Shanti Gopalkrishnan<br>**SEBI Registration No:** INR000004058<br>**CIN:** U67190MH1999PTC118368 |

| OFFER PROGRAMME | | |
|---|---|---|
| **ANCHOR PORTION OFFER OPENS/CLOSES ON:**<br>**WEDNESDAY, MARCH 19, 2025*** | **BID/OFFER OPENS ON:**<br>**THURSDAY, MARCH 20, 2025** | **BID/OFFER CLOSES ON:**<br>**MONDAY, MARCH 24, 2025**#** |

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

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

# UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the Offer related terms used but not defined in this 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 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, 2013, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms in *'Main Provisions of the Articles of Association'*, *'Statement of Possible Tax Benefits'*, *'Our Industry'*, *'Key Industry Regulations and Policies'*, *'Financial Information'*, *'Outstanding Litigations and Material Developments'*, will have the meaning ascribed to such terms in these respective sections Page 382, 137, 143, 188, 234 and 300 of this Red Herring Prospectus.

**Conventional or General Terms**

| Term | Description |
|---|---|
| Grand Continent Hotels Limited / GCHL/ GCH / the Company / our Company/ Issuer | Grand Continent Hotels Limited, a public limited company incorporated under the Companies Act, 1956 as a private limited and having its registered office at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India and corporate office at Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India. |
| We/ us/ our | Unless the context otherwise indicates or implies, our Company together with our Joint Venture(s), on a consolidated basis as on the date of this Red Herring Prospectus. |
| You/ your | Prospective investors in this Offer. |

**Company Related Terms**

| Term | Description |
|---|---|
| AoA/ Articles/ Articles of Association | The Articles of Association of our Company, as amended, from time to time |
| Audit Committee | The audit committee of our Board of Directors reconstituted in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder vide resolution passed by the Board on November 06, 2024, as disclosed under section titled 'Our Management' beginning on page 205 of this Red Herring Prospectus. |
| Auditors / Statutory Auditors | The Statutory Auditors of our Company being "M/s. Bhuta Shah & Co LLP", Chartered Accountants, Firm Registration No. 101474W / W100100, having their office at 3rd floor, 302, Regent Chambers, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021, Maharashtra, India. |
| Banker to our Company | Banker to our Company is "ICICI Bank Limited" having their office at No 584, 80 Feet Road, Opp to Bethany High School Koramangala 8th Block, Bengaluru-560095, Karnataka, India. |
| Board of Directors / the Board/ Our Board | The Board of Directors of our Company, including all duly constituted committees thereof, as disclosed under section titled *'Our Management'* beginning on page 205 of this Red Herring Prospectus. |
| Brands | Sarovar Brands, Royal Orchid Brands and Our Trademark. |
| Business Day of our Company | It shall mean any day (other than a Saturday or a Sunday and a public holiday) on which the SEBI, the stock exchange or the commercial banks in Maharashtra, India, are open for business. |
| Chairman/ Chairperson | The Chairman/ Chairperson of Board of Directors of the Company being "Mr. Ramesh Siva", Managing Director. |
| Chief Financial Officer / CFO | Chief Financial Officer of our Company being "Mr. Mithun Jayaraman" |
| CIN | Corporate Identification Number issued by Ministry of Corporate Affairs viz., U55101TN2011PLC083100. |

| | |
|---|---|
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified by MCA till date) and /or provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Companies Act, 1956 | Companies Act, 1956, as amended from time to time. |
| Companies Act, 2013 | Companies Act, 2013 and applicable to the extent notified by MCA till date. |
| Company Secretary and Compliance Officer/ CS / Company Secretary / Compliance Officer | Company Secretary and Compliance Officer of our Company being "Ms. Aastha Kochar" (Membership No. A63630). |
| Corporate Office | The corporate office of our Company situated at Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India. |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Directors Identification Number. |
| Director(s)/ our Director(s) | The Director(s) of our Company, unless otherwise specified |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996 |
| Equity Share(s) | The equity shares of our Company of a face value of ₹ 10/- each, fully paid-up, unless otherwise specified in the context thereof. |
| Equity Shareholder(s) | Persons/ entities holding the Equity Shares of our Company |
| Executive Director(s) | Executive Directors of our Company. For details, refer section titled "*Our Management*" beginning on page 205 of this Red Herring Prospectus. |
| GCH – 1 | Grand Continent Hotels – 1, a joint venture partnership firm between Our Company, LiftX India Ventures LLP and Mr. Ajay Kumar Gupta. |
| Golden Tulip | Means a brand name licensed to use on non-exclusive basis to our JV Partner Entity pursuant to the trademark agreement / franchise agreements entered with the Sarovar Hotels in respect of Hotel Golden Tulip –Tirupati, with right to use the mark "Golden Tulip" |
| GSHH | Grand Seven Hill Hotels, a joint venture partnership firm between Our Company, Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy. |
| Group Companies | Such companies with whom there are related party transactions, during the period for which financial information is disclosed, as covered under the applicable Accounting Standards, and also other companies as considered material by our Board and as disclosed under section titled *'Our Group Companies'* beginning on page 230 of this Red Herring Prospectus. |
| Hotel Golden Tulip - Tirupati | Hotel property situated at Ward no. 20, Sivajyothi Nagar, near Nandi Circle, Tirupati - 517507, Andhra Pradesh, India. |
| Hotel Grand Continent - Anjuna | Hotel property situated at H. No. 1702, Anjuna, Bardez - 403509, Goa, India. |
| Hotel Grand Continent - Bannerghatta Road | Hotel property situated at No. 26, Bharat House Building Co-operative Society, BTM Layout, Bengaluru - 560065, Karnataka, India. |
| Hotel Grand Continent - Brookfield | Hotel property situated at Sy no. 74/1, ITPL main road, Thubarahalli, Bengaluru - 560066, Karnataka, India. |
| Hotel Grand Continent - Devanhalli | Hotel property situated at No. 15, Downtown Park, Sadahalli Road & Gate, Bengaluru International Airport Road, Bengaluru - 562157, Karnataka, India. |
| Hotel Grand Continent – Gachibowli | Hotel property situated at No. 5-3/9P/15P, PTIN No. 1262607804, Survey No. 222 (Old), 222(New), Sai Tulasi Enclave –I, Vattinagulapally Village, Gandipet Mandal, Rangareddy, Telangana, India. |
| Hotel Grand Continent - Hebbal Manyata | Hotel property situated at No. 115, site No. 43, Nagavara Village, Kasabahobli, Bengaluru - 560045, Karnataka, India. |
| Hotel Grand Continent – Hi-Tech | Hotel property situated at Survey No. 10 (Part), White Fields, Kondapur Village, Serillingampally Mandal, Rangareddy, Telangana, India. |
| Hotel Grand Continent – Hosur | Hotel property situated at No. 75, Ward no 3, Bagalur road, Avalapalli Hudco, Hosur - 635109, Tamil Nadu, India. |
| Hotel Grand Continent - Mahabalipuram | Hotel property situated at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India. |
| Hotel Grand Continent - Malleswaram | Hotel property situated at No. 18 &19, 1st cross, Malleswaram, Bengaluru - 560003, Karnataka, India. |
| Hotel Grand Continent - Morjim | Hotel property situated at Survey No. 207/7, Sakhribatle, Morjim - 403509, Pernem, Goa, India. |

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| Hotel Grand Continent - Mysore | Hotel property situated at Diya Sumana New No. 7, Shalivahana Road, Nazarbad Mahalla, Mysore - 570010, Karnataka, India. |
| Hotel Grand Continent – Secunderabad | Hotel property situated at Building No./Flat No. 8-1-1 2/1 to 4 and 8-1-3/4 to 3, Oxford Street, S.D. Road, Secunderabad - 500003, Hyderabad, Telangana, India. |
| Hotel Grand Continent - T. Nagar | Hotel property situated at No. 1/11, Ramasamy Street, T. Nagar, Chennai - 600017, Tamil Nadu, India. |
| Hotel Regenta Inn - 4th block Koramangala | Hotel property situated at No. 73, 1st main road, S.T. Bed, Koramangala 4th block, Koramangala, Bengaluru - 560034, Karnataka, India. |
| Hotel Regenta Inn - Indiranagar | Hotel property situated at 648B, 1st phase, 1st stage, Binnmangala, Indira Nagar, Bengaluru - 560038, Karnataka, India. |
| Hotel Regenta Inn - ORR Mahadevapura | Hotel property situated at Fern City Road, Doddanekkundi, K.R. Pura Hobli, Bengaluru - 560037, Karnataka, India. |
| Hotel Regenta Inn Grand - 8th Block Koramangala | Hotel property situated at Old Katha No. 704, House List No. 637/2, New BBMP Municipal No. 3, situated at 3rd Main Road, K.R. Garden, Koramangala 8th Block, Bengaluru - 560095, Karnataka, India. |
| Hotel Tulip Inn - Ejipura Koramangala | Hotel property situated at Municipal No. 9, 100 feet Road, Ejipura, Bengaluru - 560047, Karnataka, India. |
| Independent Director(s) | A non-executive and independent Director as defined under Section 2 (47) of the Companies Act, 2013 and as defined under Regulation 16(1)(b) the SEBI Listing Regulations, disclosed under section titled *'Our Management'* beginning on page 205 of this Red Herring Prospectus. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time. |
| Internal Complaints Committee | The committee of our Board, reconstituted as our Company's Internal Complaints Committee vide Board Resolution dated September 24, 2024 as disclosed under section titled *'Our Management'* beginning on page 205 of this Red Herring Prospectus. |
| IPO Committee | The IPO committee of our Board of Directors constituted vide resolution passed by the Board on September 04, 2024 as disclosed under section titled 'Our Management' beginning on page 205 of this Red Herring Prospectus. |
| ISIN | International Securities Identification Number, in this case being "INE12E301017" |
| IT Act/ Income Tax Act | Income Tax Act, 1961, as amended, till date |
| Joint Ventures / JV | The joint venture(s) of our Company, as disclosed under section titled *'History and Certain Corporate Matters'* beginning on page 196 of this Red Herring Prospectus |
| JV Partner Entities / JV Partner Entity | GSHH and GCH-1, collectively shall be referred to as the JV Partner Entities and individually as JV Partner Entity. |
| Key Management Personnel / KMP(s) | Key Management Personnel of our Company in terms of Section 2 (51) of the Companies Act, 2013 and Regulation 2(1)(bb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Companies Act, 2013, as disclosed under section titled *'Our Management – Key Managerial Personnel and Senior Management Personnel'* beginning on page 205 of this Red Herring Prospectus. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time. |
| LLP | Limited Liability Partnership as incorporated under the Limited Liability Partnership Act, 2008. |
| Managing Director / MD | Managing Director of our Company, namely "Mr. Ramesh Siva" |
| Materiality Policy | The policy on identification of Group Companies, material creditors and material litigation, adopted by our Board on September 04, 2024 in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time. |
| Memorandum of Association / Memorandum/ MoA | Memorandum of Association of Grand Continent Hotels Limited, as amended, from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board reconstituted in accordance with Section 178(1) of the Companies Act, 2013 and rules made thereunder vide resolution passed by the Board on November 06, 2024, as disclosed under section titled '*Our Management*' beginning on page 205 of this Red Herring Prospectus. |
| Non-Executive Director (s) | Non-executive director(s) on our Board, as described in section titled "*Our Management*" on page 205 of this Red Herring Prospectus. |
| Peer Review Auditors | Unless the context otherwise provides, Independent Auditor having a valid peer review certificate no. 017101 in our case, being "M/s. Bhuta Shah & Co LLP", Chartered Accountants, Firm Registration No. 101474W / W100100, having their office at 3rd floor, |

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| | 302, Regent Chambers, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021, Maharashtra, India. |
| Promoter(s) | Promoters of our Company i.e. "Mr. Ramesh Siva and Mrs. Vidya Ramesh", as disclosed under section titled in *'Our Promoters and Promoter Group'* beginning on page 226 of this Red Herring Prospectus. |
| Promoter Group | Individuals, companies and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed under section titled *'Our Promoters and Promoter Group'* beginning on page 226 of this Red Herring Prospectus. |
| Our Registered Office / Registered Office | The registered office of our Company situated at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India. |
| Our Trademark | Grand Continent Hotels, registered under class 43 bearing number 5817036 in the name of our Company. |
| Regenta Inn | Means a brand name licensed by the Royal Orchid pursuant to the respective franchise agreements with right to use the brand name on non-exclusive basis in respect of following hotel properties:<br>1. Hotel Regenta Inn - ORR Mahadevapura<br>2. Hotel Regenta Inn–Indiranagar<br>3. Hotel Regenta Inn - 4th block Koramangala<br>4. Hotel Regenta Inn Grand - 8th Block Koramangala |
| Reserve Bank of India / RBI | Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 |
| Restated Consolidated Financial Statements / Restated Financial Information | The Restated Consolidated Financial Statements of our Company as at and for the six months period ended September 30, 2024 and as at and for the Financial Years ended on March 31,2024, March 31, 2023, and March 31, 2022 (prepared in accordance with Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises of the Restated Consolidated Statement of Assets and Liabilities as at the six months period ended September 30, 2024 and as at the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, Restated Consolidated Statement of Profit and Loss for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, and the Restated Consolidated Cash Flow Statement for the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, together with the notes, significant accounting policies and notes to accounts thereto and the examination report thereon. |
| RoC / Registrar of Companies | Registrar of Companies, Chennai situated at Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India. |
| Royal Orchid | Royal Orchid Associated Hotels Private Limited, a private limited company incorporated under the Companies Act, 2013 with CIN: U55101KA2006PTC040290. |
| Royal Orchid Brand | Regenta Inn |
| Sarovar Brands | Golden Tulip, Tulip Inn and Sarovar Portico |
| Sarovar Hotels/Sarovar | Sarovar Hotels Private Limited, a private limited company incorporated under the Companies Act, 2013 with CIN: U74140MH1993PTC139435. |
| Sarovar Portico | Means a brand name licensed by the Sarovar Hotels to our Company pursuant to the respective trademark license agreement with right to use the brand name "Sarovar Portico Affiliate Hotel" on non-exclusive basis in respect of following hotel properties:<br>1. Hotel Grand Continent - Hebbal Manyata<br>2. Hotel Grand Continent – Anjuna<br>3. Hotel Grand Continent– Hosur<br>4. Hotel Grand Continent – Malleswaram<br>5. Hotel Grand Continent – Secunderabad<br>6. Hotel Grand Continent – Mysore<br>7. Hotel Grand Continent – Mahabalipuram<br>8. Hotel Grand Continent – Brookfield |
| SEBI | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended, from time to time |
| SEBI ICDR Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time |
| SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and |

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| | Takeover) Regulations, 2011, as amended, from time to time |
| Promoter Selling Shareholder / Selling Shareholder | Mr. Ramesh Siva |
| Shareholder(s) | The holders of the Equity Shares from time to time. |
| Senior Management Personnel or SMP | Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 205 of this Red Herring Prospectus. |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Board reconstituted in accordance with Section 178(5) of the Companies Act, 2013 and rules made thereunder vide resolution passed by the Board on November 06, 2024, as disclosed under section titled '*Our Management*' beginning on page 205 of this Red Herring Prospectus. |
| Stock Exchange | Unless the context requires otherwise, refers to, National Stock Exchange of India Limited |
| Tulip Inn | Means a brand name licensed to use on non-exclusive basis to our Company pursuant to the franchise agreement with Sarovar Hotels and trademark license agreement in respect of Hotel Tulip Inn – Ejipura Koramangala, with right to use the mark "Tulip Inn". |
| Whole-time Director(s) | Whole-time Director(s) as specified in section 2(94) of the Companies Act,2013 |

**Offer Related Terms**

| Term | Description |
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| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf. |
| Acknowledgement Slip | The slip or documents issued by the Designated Intermediary to an Applicant as proof of registration of the Bid cum Application Form. |
| Allotment/Allot/Allotted | Unless the context otherwise requires, means the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the successful Applicants. |
| Allocation/ Allocation of Equity Shares | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares and Offer of Sale to the successful Applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee (s) | A successful applicant to whom the Equity Shares are 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 this Red Herring Prospectus who has Bid for an amount of at least ₹ 200 Lakhs. |
| Anchor Investor Allocation Price | The price at which Equity Shares 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 Book Running Lead Manager during the Anchor Investor Bid/ Offer 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 this Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bid/ Offer Period | One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price.<br>The Anchor Investor Offer Price will be decided by our Company, in consultation with the Book Running Lead Manager. |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.<br><br>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. |
| Applicant/ Investor | Any prospective investor who makes an application pursuant to the terms of this Red Herring Prospectus and the Application form. |
| Application Amount | The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of this Red Herring Prospectus. |

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| Application Form | The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Red Herring Prospectus. |
| Application Supported by Block Amount (ASBA) | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism. |
| ASBA Specified Location(s) | Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| ASBA Bidder | Any prospective investor(s) / Bidder (s) in this Offer who apply(ies) through the ASBA process except Anchor Investor. |
| ASBA Form/ Bid cum Application Form | An Application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus or the Prospectus. |
| Bankers to the Offer / Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account has been opened, in this case being Kotak Mahindra Bank Limited. |
| Banker to the Offer Agreement | Agreement dated February 07, 2025 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Offer. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful applicants under the offer and which is described in the section titled ***"Offer Procedure"*** beginning on page 347 of this Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.<br><br>However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.<br><br>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 5 lakhs. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 2 lakhs. Only in the event of an undersubscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 2 lakhs subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs. |
| Bid Lot | 1,200 equity shares and in multiples of 1,200 equity shares thereafter |
| Bid/ Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids being Monday, March 24, 2025, which shall be notified in in all editions of the English national newspaper "Financial Express", all editions of Hindi national newspaper "Jansatta" and Chennai Edition of Regional newspaper "Dina Kural" (Tamil being the regional language of Tamil Nadu where our Registered Office of the Company is situated), each with wide circulation, and in case of any revision, the extended Bid/ |

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| | Offer closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids being Thursday, March 20, 2025, which shall be notified in in all editions of the English national newspaper "Financial Express", all editions of Hindi national newspaper "Jansatta" and Chennai Edition of Regional newspaper "Dina Kural" (Tamil being the regional language of Tamil Nadu where our Registered Office of the Company is situated), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Offer Period | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date or the QIB Bid/ Offer Closing Date, as the case may be, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided however that the Bidding/ Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders other than Anchor Investor.<br><br>The bid/offer period will comprise of Working Days only. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the bid/offer period for a minimum of one Working Day, and in cases of revision in price band, our Company may, for reasons to be recorded in writing, extend the bid/offer period for a minimum of three Working Days, subject to the entire bid/offer period not exceeding ten Working Days. |
| Bidder/ Applicant | Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor. |
| Bidding | The process of making a Bid. |
| Collection Centers | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, ASBA Specified Locations for syndicates, 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 Offer is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Offer in this case being Indorient Financial Services Limited, SEBI Registered Category I Merchant Banker. |
| Broker Centers | Broker centres notified by the Stock Exchange, where the investors can submit the Application 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 websites of the Stock Exchange. |
| Business Day | Monday to Friday (except public holidays). |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the price band i.e. ₹113 above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids (or a revision thereof) will be accepted. |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to Demat account |
| Collecting Depository Participants or 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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Cut Off Price | The Offer Price, which shall be any price within the Price Band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The demographic details of the applicants such as their Address, PAN, name of the applicant's father/husband, investor status, Occupation and Bank Account details. |
| Depository / Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, |

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| | being NSDL and CDSL. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com |
| Designated Date | On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Offer Account and/ or unblocked in terms of the Red Herring Prospectus |
| Designated Intermediaries | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depositary Participant, a registrar to the offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity). |
| Designated Market Maker/Market Maker | Member Brokers of NSE who are specifically registered as Market Maker with the NSE Emerge Platform. In our case, "Alacrity Securities Limited" having its registered office at 101-102/B, Hari Darshan, Bhogilal Fadia Road, Kandivali West, Mumbai – 400067, Maharashtra, India. |
| Designated RTA Locations | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com |
| Designated Stock Exchange | National Stock Exchange of India Limited ("NSE") |
| DP ID | Depository's Participant's Identity Number |
| Draft Red Herring Prospectus/ DRHP | Draft Red Herring Prospectus dated November 21, 2024 filed with NSE Emerge, including any addenda or corrigenda thereto. |
| Eligible Employee(s) | Permanent employees of our Company and its JV Partner Entities (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of this Red Herring Prospectus with the Stock Exchange and who continue to be a permanent employee of our Company and its JV Partner Entities until the submission of the ASBA Form and is based, working and present in India as on the date of submission of the ASBA Form; or Director of our Company, whether a whole-time Director or otherwise, who is eligible to apply under the Employee Reservation Portion under applicable law as of the date of filing of this Red Herring Prospectus with the Stock Exchange and who continue to be a Director of our Company until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company.<br><br>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 5 lakhs. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 2 lakhs. Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 2 lakhs subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs. |
| Eligible NRI | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Employee Reservation Portion | The portion of the Offer being up to 12,000 Equity Shares aggregating up to ₹ [●] lakhs which shall not exceed 5% of the post Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis. |
| Equity Shares | Equity Shares of our Company of face value ₹ 10/- each. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Offer 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. |

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| Escrow Account(s) | The account(s) opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid. |
| FII | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First Bidder/ Applicant/ Bidders | Bidder(s) 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. ₹107, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted |
| FVCI / 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 who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any offer 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 offer document. |
| General Information Document (GID) | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015) dated March 17, 2020 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and the UPI circular as amended from time to time.<br><br>The General Information Document shall be available on the websites of the Stock Exchange and the BRLM. |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the Stock Exchange. |
| Lot Size | 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter. |
| Mandate Request | Mandate Request means a request initiated on the Retail Individual Investor by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Making Agreement | The Market Making Agreement dated November 09, 2024 between our Company, Book Running Lead Manager and Market Maker, Alacrity Securities Limited. |
| Market Maker Reservation Portion | The reserved portion of 3,30,000 Equity Shares of ₹ 10/- each at an Offer price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer. |
| Monitoring Agency | In our case, "Acuite Ratings & Research Limited" having its registered office at 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India. |
| Monitoring Agency Agreement | The Monitoring Agency Agreement dated March 10, 2025 entered between our Company and the Monitoring Agency, Acuite Ratings & Research Limited. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Mutual Fund Portion | 5% of the Net QIB Portion, or upto 63,600 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price. |
| Net Offer | The Offer (excluding the Market Maker Reservation Portion and Employee Reservation Portion) of 62,47,200 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share (the "Offer Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs. |
| Net Proceeds | The Offer Proceeds received from the Offer excluding Offer related expenses. For |

<table>
<tr><td></td><td>further information on the use of Offer Proceeds and Offer expenses, please refer to the section titled "Objects of the Offer" beginning on page 114 of this Red Herring Prospectus.</td></tr>
<tr><td>Net QIB Portion</td><td>The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.</td></tr>
<tr><td>Non- Resident</td><td>A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.</td></tr>
<tr><td>Non-Institutional Investors /NIIs/ Non-Institutional Bidders/NIBs</td><td>Bidders that are not QIBs or RIIs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount more than ₹ 2 Lakhs (but not including NRIs other than Eligible NRIs).</td></tr>
<tr><td>Non-Institutional Portion</td><td>The portion of the Offer being not less than 15% of the Offer, consisting of minimum 9,37,200 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.</td></tr>
<tr><td>Offer/Public Offer/ Offer Size / Initial Public Offer/ IPO</td><td>
<table>
<tr><td colspan="2">Initial Public Offer</td><td>Up to 65,89,200 Equity Shares aggregating up to ₹ [●] Lakhs.</td></tr>
<tr><td>A.</td><td>Fresh Issue</td><td>Up to 62,60,400 Equity Shares of the face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs</td></tr>
<tr><td>B.</td><td colspan="2">Offer for Sale by Promoter Selling Shareholder</td></tr>
<tr><td colspan="2">Mr. Ramesh Siva</td><td>Up to 3,28,800 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs.</td></tr>
</table>
<br>The Offer comprises the Net Offer, Market Maker Reservation Portion and Employee Reservation Portion.<br><br>The Offer Price 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.<br><br>For further details, please refer to the section titled "The Offer" beginning on page 79 of this Red Herring Prospectus.</td></tr>
<tr><td>Offer Agreement</td><td>The Offer Agreement dated November 09, 2024, between our Company, Promoter Selling Shareholder and Book Running Lead Manager, Indorient Financial Services Limited.</td></tr>
<tr><td>Offer for Sale</td><td>The offer for sale of up to 3,28,800 Offered Shares aggregating up to ₹ [●] Lakhs by the Promoter Selling Shareholder, in the Offer. For further details, please refer to the section titled "The Offer" beginning on page 79 of this Red Herring Prospectus.</td></tr>
<tr><td>Offered Shares</td><td>Up to 3,28,800 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs being offered for sale by the Promoter Selling Shareholder in the Offer.</td></tr>
<tr><td>Offer Closing Date</td><td>The date after which the Book Running Lead Manager, Branches of SCSBs and Registered Brokers will not accept any Application for this Offer, which shall be notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI ICDR Regulations. In this case being Monday, March 24, 2025.</td></tr>
<tr><td>Offer Opening Date</td><td>The date on which the Book Running Lead Manager, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Offer, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI ICDR Regulations. In this case being Thursday, March 20, 2025.</td></tr>
<tr><td>Offer Period</td><td>The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.</td></tr>
<tr><td>Offer Price</td><td>The final price at which Equity Shares will be Allotted to successful ASBA Bidders 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 Offer 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.</td></tr>
<tr><td>Offer Proceeds</td><td>Proceeds to be raised by our Company through this Offer, for further details please refer section titled "Objects of the Offer" beginning on page 114 of this Red Herring Prospectus.</td></tr>
</table>

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| 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 the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. |
| 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. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ 107 and the maximum price (Cap Price) of ₹ 113 and includes revisions thereof. The Price Band has been decided by our Company in consultation with the BRLM. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Offer Price. |
| Prospectus | The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, inter alia, the Offer Price will be determined before filing the Prospectus with RoC. |
| Public Offer Account | Account opened with the Bankers to the Offer to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date. |
| Public Offer Account Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom Public Offer Account has been opened, in this case being Kotak Mahindra Bank Limited |
| QIB Category/ QIB Portion | The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of upto 31,22,400 Equity Shares aggregating to ₹ [●] Lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation 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 Offer Price or Anchor Investor Offer Price (for Anchor Investors). |
| Qualified Institutional Buyers/QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Red Herring Prospectus / RHP | This Red Herring Prospectus dated March 13, 2025 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Offer, including any addenda or corrigenda thereto. This Red Herring Prospectus has been filed with the RoC at least three working days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date. |
| Refund Bank/ Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account has been opened, in this case being Kotak Mahindra Bank Limited. |
| Registered Broker | The stockbrokers registered with the stock exchange having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids. |
| Registrar/ Registrar to the Offer / RTA | Registrar to the Offer being "MUFG Intime India Private Limited" *(Formerly Link Intime India Private Limited)*. |
| Registrar to the Offer Agreement | The agreement dated November 09, 2024 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer. |
| Regulation S | Regulation S under the U.S. Securities Act of 1933, as amended from time to time. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs | Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2 Lakhs in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Offer being not less than 35% of the Net Offer, consisting of minimum 21,87,600 Equity Shares, available for allocation to Retail Individual Bidders. |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s). |

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| | QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. |
| 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. |
| SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Securities laws | Means the Act, 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, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board. |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Shall mean a Banker to the Offer registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| Share Escrow Agent | The share escrow agent namely "MUFG Intime India Private Limited" *(Formerly Link Intime India Private Limited)* has been appointed pursuant to the Share Escrow Agreement dated March 07, 2025 |
| Share Escrow Agreement | The agreement has been entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent on March 07, 2025 in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment. |
| Specified Locations | Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time. |
| SME Exchange/ NSE Emerge | SME Platform of the NSE i.e. NSE Emerge. |
| SPOS | Special Pre-Open Session |
| Specified Securities | Equity shares offered through this Red Herring Prospectus. |
| Sponsor Bank | Sponsor Bank means a Banker to the Offer registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchange and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI. |
| Sub Syndicate Member | A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Offer. |
| Syndicate | Includes the BRLM, Syndicate Members and Sub Syndicate Members. |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| 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. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended. |
| US Fed | The Federal Reserve System is the central bank of the United States. |
| Underwriter | Indorient Financial Services Limited |
| Underwriting Agreement | The Agreement November 09, 2024 entered between the Underwriter, BRLM and our Company. |
| UPI | UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow |

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| | instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account. |
| UPI Bidders | Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 5 lakhs and (iii) Eligible Employees who applied in the Employee Reservation Portion with an application size of up to ₹ 5 lakhs under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.<br><br>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 Lakhs 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 | SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. 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 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI circular 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 Exchange in this regard, including the circular issued by the NSE having reference number 25/2022 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 UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI 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 mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues |
| Venture Capital Fund/ VCF | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Wilful Defaulter(s) or Fraudulent Borrower | Wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations. |
| Working Day | In accordance with Regulation 2(1) (mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in Chennai are open for business. However, in respect of–<br>(a) announcement of Price Band; and<br>(b) Bid/Offer period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Chennai are open for business;<br>(c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

**Technical and Industry Related Terms**

| Term | Description |
|---|---|
| ADR | Average Daily Rate |
| AI | Artificial Intelligence |
| ARR | Average Room Rate |
| Bn | Billion |
| CAGR | Computed Annual Growth Rate |
| CY | Calendar Year |
| E | Estimated |
| ERP | Enterprise Resource Planning |
| F | Forecasted |
| FHRAI | Federation of Hotel and Restaurant Associations of India |
| FSSAI | Food Safety and Standards Authority of India |
| FTAs | Foreign Tourist Arrivals |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GTIS | Global Tourism Investors' Summit |
| HMS | Hotel Management System |
| HLFP | Heat, Light, Fuel, Power |
| IMF | International Monetary Fund |
| INR | Indian Rupees |
| IT | Information Technology |
| KPIs | Key Performance Indicators |
| LOI | Letter of Intent |
| ML | Machine Learning |
| Mn | Million |
| MPCE | Monthly Per Capita Consumption Expenditure |
| OTA | Online Travel Agencies |
| PAT | Profit after Tax |
| RevPAR | Revenue per Available Room |
| SAAS | Software as a Service |
| SMEs | Small and Medium-sized Enterprises |
| SWB | Salary, Wages, Benefits |
| Tn | Trillion |
| VR | Virtual Reality |

**Conventional Terms and General Terms**

| Term | Description |
|---|---|
| AIF(s) | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended |
| Banking Regulation Act | Banking Regulation Act, 1949 |
| CA | Chartered Accountant |
| Category I AIF | AIFs who are registered as "Category I Alternative Investment Funds" under the AIF Regulations |
| Category I FPIs | FPIs who are registered as "Category I Foreign Portfolio Investors" under the FPI Regulations |
| Category II AIF | AIFs who are registered as "Category II Alternative Investment Funds" under the AIF Regulations |
| Category II FPIs | FPIs who are registered as "Category II Foreign Portfolio Investors" under the FPI Regulations |
| Category III AIF | AIFs who are registered as "Category III Alternative Investment Funds" under the AIF Regulations |
| CGST | Central GST |
| CS | Company Secretary |
| Competition Act | Competition Act, 2002 |

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| Consolidated FDI Policy | Consolidation FDI Policy Circular of 2020 dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| DP ID | Depository Participant's identity number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI |
| EPF | Employee Provident Fund |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Non-Debt Instruments Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI. |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| FII(s) | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India |
| FII Regulations | SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| Fiscal Year/ Financial Year / F.Y. | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| FPIs | Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended |
| Gazette | Gazette of India |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFSC Code | Indian Financial System Code |
| IGST | Integrated Goods and Services Tax |
| IGST Act | Integrated Goods and Services Tax Act, 2017 |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 |
| ISIN | International Securities Identification Number |
| ISO | International Organization for Standardization |
| IST | Indian Standard Time |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| Merchant Banker Regulations | SEBI (Merchant Bankers) Regulations, 1992 |
| Mutual Funds Regulations | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NSE | National Stock Exchange of India Limited |
| NOC | No objection certificate |
| PAN | Permanent Account Number |
| R&D | Research and Development |
| RBI Act | Reserve Bank of India Act, 1934 |
| RTA Regulations | Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993 |
| SEBI SBEBSE Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended, from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended, from time to time |
| State Government | The government of a state in India |
| SGST | State Goods and Services Tax |
| SGST Act | State Goods and Services Tax Act, 2017 |
| SS | Secretarial Standards as issued by Institute of Company Secretaries of India |
| Sub-account | Sub-accounts registered with SEBI under the FII Regulations other than sub-accounts which are foreign corporate or foreign individuals |
| TAN | Tax deduction and collection account number |
| TDS | Tax Deducted at Source |
| UGST | Union Territory Goods and Services Tax |
| UGST Act | Union Territory Goods and Services Tax Act, 2017 |

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| VCFs | Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations |

**KPI related terms**

| Terms | Descriptions |
|---|---|
| Occupancy | Total room nights sold during a relevant year/period divided by the total available room nights during the same year/period. |
| Average room rate (ARR) | Room revenues during a given year/period divided by total number of room nights sold in that year/period. |
| RevPAR | Average Room Revenue for a relevant period multiplied by Average Occupancy Rate for that period. |
| Total Keys | Total keys refer to the number of rooms in our portfolio during the relevant period/year. |
| Total Income | Total Income is used by Management to track the performance and growth of the Company and is calculated as *"sum of revenue from operations and other income."* |
| Total Income Growth | The hotel industry's total income is expected to grow over a period of two years and is calculated as a *"percentage of total income of the relevant year/period minus Total Income of the preceding year/period, divided by total income of the preceding year/period."* |
| EBITDA | EBITDA gives a comprehensive view of the health of the company as it considers all sources of Operating Income and is calculated as "Consolidated restated profit before tax, depreciation and amortisation expense and finance costs, less other income, for the relevant year and is calculated as Profit before Tax + finance costs + depreciation and amortisation expense + exceptional loss less Other Income." |
| EBITDA margin | EBITDA Margin is a financial ratio that measures the profitability of the company as a percentage of its Revenue from Operations and is calculated as *"EBITDA divided by Revenue from Operations".* |
| EBITDA/Key | EBITDA/ key is an indicator of the operational efficiency of our business measured per unit of inventory and is calculated by *"dividing by average number of keys during the year/ period."* |
| Restated Profit / (loss) for year | Profit after Tax gives the overall profitability of business and is calculated as *"Total Income less Total Expenses less Total Tax expenses for the year/period and adjustment for minority Interest."* |
| Restated profit/(loss) for the year Margin | PAT Margin is a ratio that measures the profitability of the company as a percentage of its Total Revenue and is calculated as *"Restated profit/(loss) for the year/period divided by the total income for the year/period."* |
| Net debt | Net debt provides information regarding the leverage and liquidity profile of our Company and is calculated as *"Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents."* |
| Total Equity | Total equity, also known as shareholders' equity, net worth and is calculated as "*Equity Share Capital + Other Equity."* |
| Net Debt / Total Equity | Net borrowings to total equity is a measure of our Company's leverage over equity invested and earnings retained over time and is calculated as "*Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / Shareholders equity".* |
| Net debt / EBITDA | The net debt-to-EBITDA ratio is a financial metric that measures a company's leverage and ability to pay off its debt and is calculated as "*Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / EBITDA."* |
| Total assets | Total assets are the sum of all assets owned by a company or individual, and is a key indicator of a company's financial health and is calculated as *"Non-current assets + Current assets".* |
| Total Borrowings | Total borrowings are the total amount of liabilities that a company has from borrowing money from banks and other financial institutions and is calculated as "*Long Term Borrowings + Short Term Borrowings."* |
| Total Borrowings / Total Assets | Total debt-to-total assets ratio, shows how much of a company's assets are financed by debt and is calculated as "*Long Term Borrowings + Short Term Borrowings divided by non-current assets + Current assets*". |

**Abbreviations**

| Terms | Descriptions |
|---|---|
| ₹ or Rupees or Rs. or INR | Rupees, the official currency of the Republic of India |
| A/c | Account |
| AGM | Annual General Meeting |
| AS/Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India |
| A.Y. | Assessment year |
| CARO | Companies (Auditor's Report) Order, 2003 |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| Cr PC | Criminal Procedure Code, 1973, as amended |
| CSR | Corporate Social Responsibility |
| C.Y. | Calendar Year |
| DDT | Dividend Distribution Tax |
| DIN | Director Identification Number |
| ECS | Electronic Clearing System |
| EHIPL and | Elysium Holidays India Private Limited |
| EBITDA | Earnings before Interest, Tax Depreciation and Amortisation |
| EGM | Extraordinary General Meeting of the Shareholders of the Company |
| EPF Act | Employees Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings Per Share |
| FDI | Foreign Direct Investment |
| GAAR | General Anti Avoidance Rules |
| GBP | Great Britain Pound |
| GHR | Grand Hotels & Resort |
| GoI/Government | Government of India |
| GST | Goods & Service Tax |
| HNI | High Net Worth Individual |
| HUF | Hindu Undivided Family |
| IFRS | International Financial Reporting Standards |
| IT Rules | The Income Tax Rules, 1962, as amended |
| ISACA | Information Systems Audit and Control Association |
| MoU | Memorandum of Understanding |
| N.A. | Not Applicable |
| NACH | National Automated Clearing House |
| NAV/ Net Asset Value | Net asset value being paid up Equity Share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares |
| NECS | National Electronic Clearing Services |
| NoC | No Objection Certificate |
| No. | Number |
| NSDL | National Securities Depository Limited |
| NTA | Net Tangible Assets |
| p.a. | Per annum |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| P/E | Price per Earnings |
| Pvt. | Private. |
| RoE | Return on Equity |
| RoNW | Return on Net Worth. |
| SCN | Show Cause Notice. |
| STT | Securities Transaction Tax |
| US/United States | United States. |
| USD/ US$/ $ | United States Dollar, the official currency of the Unites States of America |
| w.e.f. | With effect from |
| Y-o-Y | Year on Year |

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms defined –

a) In the section titled '*Risk Factors*' beginning on page 38 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

b) In the section titled *'Statement of Possible Tax Benefits'* beginning on page 137 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

c) In the section titled *'Our Industry'* beginning on page 143 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

d) In the section titled *'Key Industry Regulations and Policies'* beginning on page 188 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

e) In the section titled *'Financial Information'* beginning on page 234 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

f) In the section titled *'Management's Discussion and Analysis of Financial Condition and Results of Operations'* beginning on page 268 of this Red Herring Prospectus, shall have the meaning given to such terms in that section; and

g) In the section titled *'Outstanding Litigations and Material Developments'* beginning on page 300 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

h) In the section titled *'Main Provisions of the Articles of Association'* beginning on page 382 of this Red Herring Prospectus, shall have the meaning given to such terms in that section;

## CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

In this Red Herring Prospectus, the terms "we", "us", "our", the "Company", "our Company", "Grand Continent Hotels Limited" and "GCHL", unless the context otherwise indicates or implies, refers to Grand Continent Hotels Limited.

### CERTAIN CONVENTIONS

All references in this Red Herring Prospectus to "India" 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 Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the Restated Consolidated Financial Statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, 2013 Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled '*Financial Information*' beginning on page 234 of this Red Herring Prospectus. Our Restated Consolidated Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013, and have been restated in accordance with the SEBI ICDR Regulations and Guidance Note on "Reports in Company Prospectus (Revised 2019) issued by ICAI as amended from time to time.

Our Financial Year commences on April 1st of each year and ends on March 31st of the following year, so all references to a particular Financial Year are to the 12 month period ended March 31st of that year. In this Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. Further, figure represented in the BRACKET "( )" or with the sign " – " indicates NEGATIVE data in this Red Herring Prospectus in relation to our Company and industry. There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the Restated Consolidated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ Indian GAAP, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

All figures in decimals (including percentages) have been rounded off up to second decimals and all percentage figures have been rounded off to two decimal places. In certain instances, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Red Herring Prospectus, (i) the sum or percentage change of certain 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. Any such discrepancies are due to rounding off.

Any percentage amounts, as set forth in the sections titled *'Risk Factors'*, *'Our Business'* and *'Management's Discussion and Analysis of Financial Condition and Results of Operations'* beginning on page 38, 162 and 268 of this Red Herring Prospectus, respectively, and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

### CURRENCY AND UNITS OF PRESENTATION

All references to "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "U.S. Dollar(s)" or "USD" or "US Dollar" are to United States Dollars, the official currency of the United States of America.

All references to the word "Lakh/ Lakhs or Lac" means "One Hundred Thousand", the word "Crore/Crores" means "Hundred Lakhs", the word "Million (million) or Mn" means "Ten Lakhs", the word "Crores" means "Ten Million" and the word "Billion (bn)" means "One Hundred Crores".

Our Company has presented certain numerical information in this Red Herring Prospectus in "Lakhs" or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. One lakh represents 1,00,000 and one crore represents 1,00,00,000. Certain figures contained in this Red Herring Prospectus, including financial information,

have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal points. 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 figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third party industry sources may be expressed in denominations other than thousand or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 38, 162 and 268, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Statements.

**Exchange Rates**

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

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

| **Currency** | **Exchange Rate as on [$]** | | | |
|---|---|---|---|---|
| | **September 30, 2024** | **March 31, 2024[#]** | **March 31, 2023** | **March 31, 2022** |
| | | ***(in ₹)*** | | |
| 1 USD[(1)] | 83.79 | 83.37 | 82.22 | 75.81 |

[(1)] *Source: www.fbil.org.in*
*#Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.*
*[$]Note: Exchange rate is rounded off to decimal places.*

**TIME**

All references to time in this Red Herring Prospectus are to Indian Standard Time.

**INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry related information and market data contained in this Red Herring Prospectus, including in "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 38, 143, 162 and 268, respectively, have been obtained or derived from the report titled "*India Mid-scale Hotels Market*" dated September 2024 that has been prepared by Ken Research Private Limited ("Ken Research" and the report prepared by Ken Research be referred to as "Ken Research Report") which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned by our Company. Ken Research does not have direct/ indirect interest or relationship with our Company, Promoters, Directors, KMPs or SMPs of our Company except to the extent of issuing the Ken Research Report. For risks in relation to the Ken Research Report, refer section titled "*Risk Factor- 41. Certain sections of this Red Herring Prospectus disclose information from the KEN Research which has been prepared exclusively for the Offer and commissioned in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks."* on page 38 of this Red Herring Prospectus.

The Ken Research Report is available on the website of our Company at https://grandcontinenthotels.com/, from the date of the Draft Red Herring Prospectus until the Bid/ Offer Closing Date.

In accordance with the SEBI ICDR Regulations the section titled *"Basis for Offer Price"* on page 128 of this Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

No part of this manual or any material appearing may be reproduced, stored in or transmitted on any other website without written permission of Ken Research and any payments of a specified fee. Requests to republish any material may be sent to Ken Research.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India including in United States 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 Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this 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", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us in this Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to corresponding 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 industries we serve 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, 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. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

a) We plan to consolidate our hotel properties across Southern India to strengthen our presence in this region. At the same time, we are actively pursuing expansion opportunities in Northern and Western India, focusing on major business hubs and popular leisure destinations. Correspondingly we plan to use ₹ 1,679.24 Lakhs from proceeds of fresh issue towards our expansion strategy. We may not be able to execute our expansion plans successfully which could impact our business and profitability.

b) The hospitality industry is experiencing strong tailwinds given trajectory of economic growth of India and private consumption driven by socio-economic factors such as demographics and urbanization. India's mid-scale hotels market generated a revenue of ₹ 316.3 billion in 2023 and is projected to expand at a CAGR of 9.0% from 2023 to 2029, reaching an estimated revenue of ₹ 530.1 billion by the end of the forecast period (source KEN Research)

c) Majority of our property are on long lease or license. If we are unable to comply with the terms of the lease or license agreements, renew our agreements or enter into new agreements on favorable terms, our business, results of operations and financial condition and cash flows may be adversely affected.

d) Some of our agreements may be under stamped or inadequately stamped or unregistered and if any financial or judicial implication arises out of the same it may have an adverse effect on the Company's business and reputation.

e) A majority of our properties are operating under Sarovar Brands /Royal Orchid Brands pursuant to the franchise/ trademark license agreements with the Sarovar/Royal Orchid, and we are subject to risks, including non-renewal, termination and disputes, associated with such contracts.

f) Out of the portfolio of 16 operational hotel properties as of September 30, 2024, a significant portion of such hotel keys and revenue from operations is derived from hotels properties concentrated in the city of Bengaluru (Karnataka) and Tirupati (Andhra Pradesh). 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.

g) We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition.

h) Negative customer experiences or negative publicity surrounding our hotel properties 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.

i) Changes in travellers' preferences due to cost of travel, spending habits, competition from alternative accommodation, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows.

j) 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 condition.

k) India's mid-scale hotel market is highly competitive and our inability to compete effectively may adversely affect our business, results of operations, cash flows and financial condition (*source KEN Research*)

For further discussion of factors that could cause the actual results to differ from the expectations, please refer the *'Risk Factors'*, *'Our Business'* and *'Management's Discussion and Analysis of Financial Condition and Results of Operations'* beginning on page 38, 162 and 268 respectively of this 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus and are not a guarantee of our future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors 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 belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward looking statements are based on 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, investors 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 Promoter, our Directors, the Book Running Lead Manager nor any of their respective affiliates 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 SEBI, our Company (in respect of statements/ disclosures made by them in this Red Herring Prospectus) shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

The Promoter Selling Shareholder will ensure that investors in India are informed of material developments in relation to the statements relating to and undertakings confirmed or undertaken by the Promoter Selling Shareholder and its portion of the Offered Shares in this Red Herring Prospectus, from the date thereof, until the receipt of final listing and trading approvals from the Stock Exchange.

## SECTION II: SUMMARY OF THE RED HERRING PROSPECTUS

*This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus, Red Herring Prospectus or the Prospectus when filed, 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 Red Herring Prospectus, including the sections titled "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Our Industry", "Our Business", "Outstanding Litigations and Material Developments", "Offer Procedure", and "Main Provisions Of Articles Of Association" beginning on pages 38, 79, 100, 114, 143, 162, 300, 347 and 382 respectively of this Red Herring Prospectus.*

### A. OVERVIEW OF INDUSTRY

India's mid-scale hotels market generated a revenue of INR 316.3 billion in 2023 and is projected to expand at a CAGR of 9.0% from 2023 to 2029, reaching an estimated revenue of INR 530.1 billion by the end of the forecast period. Mid-Scale Hotels constitute approximately 56.0% of the total room supply, signifying their dominance in catering to a broad spectrum of business and leisure travelers. As of 2023, the mid-scale hotels market in India offered an estimated 230,000 rooms across both branded and independent properties. This supply is projected to grow at a CAGR of 5.0% from 2023 to 2029, driven by an increasing number of hotel developments and expansions within this category.

*For further details please refer the section titled 'Our Industry' beginning on page 143 of this Red Herring Prospectus.*

### B. OVERVIEW OF BUSINESS

Our Company Grand Continent Hotels Limited operates in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. We seek to cater to Indian middle-class guests and business travellers and to deliver differentiated yet superior service offerings, with a value-for-money proposition. Our Company has 16 operational hotels and operates a total of 753 keys as of September 30,2024 across states of Karnataka (Bengaluru), Tamil Nadu (Hosur), Goa (Anjuna), Andhra Pradesh (Tirupati) and Telengana (Secunderabad). Our adjusted occupancy across all properties is 72.33% for the six months period ended September 30, 2024, 75.17% for FY 2024, 79.00% for FY 2023 and 61.90% for FY 2022.

*For further details please refer the section titled 'Our Business' beginning on page 162 of this Red Herring Prospectus.*

### C. OUR PROMOTERS

As on date of this Red Herring Prospectus, our Promoters are Mr. Ramesh Siva and Mrs. Vidya Ramesh.

*For further details please refer the section titled 'Our Promoters and Promoter Group' beginning on page 226 of this Red Herring Prospectus.*

### D. DETAILS OF THE OFFER

| | |
|---|---|
| Offer of Equity Shares [(1)] | Up to 65,89,200 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs |
| ***comprising:*** | |
| Fresh Issue | Up to 62,60,400 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs |
| Offer for Sale [(2)] | Up to 3,28,800 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs by the Promoter Selling Shareholder |
| ***which includes:*** | |
| Market Maker Reservation Portion | 3,30,000 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs |
| Employee Reservation Portion [(3)] | Up to 12,000 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs |
| Net Offer | Up to 62,47,200 Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] Lakhs |

***Notes:***

*(1) The Offer has been authorized by a resolution of our Board dated November 06, 2024 and by our Shareholders pursuant to a special resolution passed on November 08, 2024.*

*(2) Our Board has taken on record the consents for Offer for Sale of the Promoter Selling Shareholder pursuant to its resolution passed in its meeting held on November 14, 2024 . The Promoter Selling Shareholder has confirmed*

*that the Offered Shares have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. The Promoter Selling Shareholder have authorized the inclusion of the Offered Shares in the Offer for Sale. For details of authorizations received for the Offer for Sale, refer section titled "Other Regulatory and Statutory Disclosures" beginning on page 318 of this Red Herring Prospectus.*

*(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 2 lakhs, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 5 lakhs. The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 5 lakhs, shall be added to the Net Offer. For further details, refer sections titled "Offer Procedure" and "Offer Structure" on pages 347 and 341, respectively.*

The Offer and Net Offer shall constitute 26.44 % and 25.07 % of the post-Offer paid-up Equity Share capital of our Company, respectively.

For further details, please refer "*The Offer*" and "*Capital Structure*" on page 79 and 100 respectively of this Red Herring Prospectus.

**Price Band**

The Floor Price is ₹ 107/- per Equity Share which is 10.70 times of the Face Value and the Cap Price is ₹ 113/- per Equity Share which is 11.30 times of the Face Value.

## E. OBJECTS OF THE OFFER

Our Company intends to utilize the Net Proceeds of the Offer (Offer Proceeds less the offer expenses) towards the following objects:

*(in ₹ lakhs)*

| Sr. No. | Particulars | Estimated Amount (1) |
|---|---|---|
| 1 | Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by our Company | 3,408.08 |
| 2 | Expansion of our Hotel properties in India | 1,679.24 |
| 3 | General Corporate Purpose * | [●] |
| | **Total (Net Proceeds)** | [●] |

** To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. In compliance with SEBI ICDR Regulations, the amounts utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

For further details, refer section titled "*Objects of the Offer*" on page 114 of this Red Herring Prospectus.

## F. PRE-OFFER SHAREHOLDING OF OUR PROMOTERS (INCLUDING THE PROMOTER SELLING SHAREHOLDER), PROMOTER GROUP

The aggregate pre-offer shareholding of our Promoters (including the Promoter Selling Shareholder), Promoter Group as a percentage of the pre-offer paid-up Equity Share capital of our Company is set out below:

| Sr. No. | Name of the Shareholder(s) | *Pre-Offer | | Post-Offer | |
|---|---|---|---|---|---|
| | | Number of Equity Shares held | % of the pre-offer paid-up Equity Share Capital | Number of Equity Shares held | % of the Post-Offer paid-up Equity Share Capital |
| | **(A) Promoter** | | | | |
| 1. | Mr. Ramesh Siva[#] | 94,50,000 | 50.65 | [●] | [●] |
| 2. | Mrs. Vidya Ramesh | 45,47,300 | 24.37 | [●] | [●] |
| | **Total (A)** | **1,39,97,300** | **75.02** | [●] | [●] |
| | **(B) Promoter Group** | Nil | Nil | | |
| | **Total (A) + (B)** | **1,39,97,300** | **75.02** | [●] | [●] |

**After bonus issue.*

*[#] Also, the Promoter Selling Shareholder*

## G. SUMMARY OF FINANCIAL INFORMATION

***Based on Restated Consolidated Financial Statements:***

*(₹ in Lakhs)*

| Particulars | As at and for the six months period ended September 30, 2024 | As at and for the year ended March 31 | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Share Capital | 1,865.90 | 399.03 | 101.00 | 101.00 |
| Net Worth[(1)] | 4,018.11 | 2,999.33 | 58.73 | (163.21) |
| Revenue from Operation | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Total Income | 3,186.32 | 3,153.16 | 1,704.70 | 602.73 |
| Profit After Tax | 622.37 | 407.77 | 103.49 | (79.29) |
| **Earnings per share (basic and diluted) (Face Value ₹ 10/- each) (in ₹)** | | | | |
| (i) Basic | 3.74 | 2.54 | 0.70 | (0.53) |
| (ii) Diluted | 3.74 | 2.54 | 0.70 | (0.53) |
| Net asset value (NAV) per Equity Share (in ₹) [(3)] | 21.53 | 75.17 | 5.81 | (16.16) |
| Total borrowings [(4)] | 4,022.23 | 3,496.26 | 3,706.58 | 3,472.33 |

*Amount in "( )" indicates negative figures.*

1) *Net Worth has been defined as 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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets as attributable to the owners of the holding company as on March 31, 2024. Net worth represents equity attributable to owners of the holding company and does not include amounts attributable to non-controlling interests.*
2) *Basic & Diluted earnings per share (Rs) -Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year*
3) *Net assets value per share – Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.*
4) *Total Borrowing – aggregate value of Long term borrowing and short-term borrowings*

For further details, refer section titled "*Restated Consolidated Financial Statements*" on page 234 of this Red Herring Prospectus.

## H. AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS

The Auditor report of Restated Consolidated Financial Statements of our Company, for the six months ended September 30, 2024 and for the Financial Year ended on March 31 2024, 2023 and 2022 does not contain any qualification which have not been given effect to in Restated Consolidated Financial Statements.

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Except as stated below, as on the date of this Red Herring Prospectus, there are no outstanding litigations against our Company, Directors, Promoters, Group Company and/or there are no outstanding litigations filed by our Company, Directors, Promoters, Group Company:

| Name | Criminal Proceedings | Civil or Other Material Pending Litigation | Statutory or Regulatory Actions | Disciplinary actions by the SEBI or Stock Exchange against the Promoter | Tax claims | Financial Implications to the Extent Quantifiable (Amount in ₹ Lakhs)^* |
|---|---|---|---|---|---|---|
| **1. Company** | | | | | | |
| Against the Company | Nil | Nil | Nil | Nil | 15 | 18.90 |

| | | | | | | |
|---|---|---|---|---|---|---|
| By the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. **JV Partner Entities** | | | | | | |
| Against JV Partner Entities | Nil | Nil | Nil | Nil | 5 | 0.17 |
| By JV Partner Entities | Nil | Nil | Nil | Nil | Nil | Nil |
| **3. Directors/Promoters** | | | | | | |
| Against the directors/ promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| By the directors/ promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| **4. Group Companies** | | | | | | |
| Against the group Companies | Nil | Nil | Nil | Nil | 11 | 5.20 |
| By the group Companies | Nil | Nil | Nil | Nil | Nil | Nil |

*^to the extent quantifiable*

**Amount includes interest and penalty.*

**Note:**

As on the date of this Red Herring Prospectus there are no pending litigations involving our Group Company which will have a material impact on our Company

For further details in relation to legal proceedings involving our Company, Promoters and Directors, please refer section titled ***'Outstanding Litigations and Material Developments'*** on beginning page 300 of this Red Herring Prospectus.

## J. RISK FACTORS

Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. Details of our top 10 risk factors are set forth below.

1. *We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.*
2. *Majority of our properties are on long lease or license. If we are unable to comply with the terms of the lease or license agreements, renew our agreements or enter into new agreements on favorable terms, our business, results of operations and financial condition and cash flows may be adversely affected.*
3. *Some of our agreements may be under stamped or inadequately stamped or unregistered and if any financial or judicial implication arises out of the same it may have an adverse effect on the Company's business and reputation.*
4. *A majority of our properties are operating under Sarovar Brands /Royal Orchid Brands pursuant to the franchise/ trademark license agreements with the Sarovar/Royal Orchid, and we are subject to risks, including non-renewal, termination and disputes, associated with such contracts*
5. *Our franchise/ trademark license agreements with the Sarovar/Royal Orchid are non-exclusive*
6. *As on September 30, 2024, a significant portion of our hotel keys and revenue from operations is derived from hotels properties concentrated in the city of Bengaluru (Karnataka) and Tirupati (Andhra Pradesh) out of the portfolio of 16 operational hotel properties, 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.*
7. *We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition*
8. *Negative customer experiences or negative publicity surrounding our hotel properties 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.*
9. *Certain of our Joint Ventures, Group Company and Promoter Group entities incorporated in India or outside India have common pursuits as they are engaged in similar business or industry segments and may compete with us*

10. *Changes in travellers' preferences due to cost of travel, spending habits, competition from alternative accommodation, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows.*

## K. SUMMARY OF CONTIGENT LIABILITY AND CAPITAL COMMITMENTS

Details of the contingent liabilities of our Company as on September 30, 2024 derived from the Restated Consolidated Financial Statement are set forth below:

*(₹ in lakhs)*

| Particulars | September 30, 2024 |
|---|---|
| Estimated amount of unexecuted contracts on capital account not provided for | 112.92 |
| Amount of GST liability outstanding for the year | 10.13 |
| Amount of Income Tax liability outstanding for the year | 18.99 |
| **Total** | **142.04** |

For further details, please refer to Note 28 – "*contingent liabilities and capital commitments*" of the section titled "*Financial Information*" of the" on page 234 of this Red Herring Prospectus.

## L. SUMMARY OF RELATED PARTY TRANSACTIONS

The summary detail of the related party transactions entered by our Company as per the Restated Consolidated Financial Statements.

**List of Related parties**

**Names of the related parties with whom transactions were carried out during the years and description of relationship:**

| | |
|---|---|
| Key managerial personnel | Mrs. Vidya Ramesh, Whole-Time Director |
| | Mr. Ramesh Siva, Managing Director |
| | Mrs. Deepthi Shiva, Non Executive Director |
| | Mr. Prem G Rajani, Non-Executive Independent Director till October 28, 2024 |
| | Mr. V Swaminathan, Non-Executive Independent Director |
| | Mr. Mithun Jayaraman, Non-Executive Independent Director till November 06, 2024 |
| | Mr. Ananthakrishnan V, Chief Financial Officer till November 06, 2024 |
| | Mr. Mithun Jayaraman, Chief Financial Officer with effect from November 06, 2024 |
| | Mr. Sambasivam, Relative of KMP |
| | Mrs. Uma Jhawar, Company Secretary till September 24, 2024 |
| | Ms. Aastha Kocchar, Company Secretary with effect from September 24, 2024 |
| Company/LLP/Firm in which key managerial person are Directors and Partner | Grand Hotels and Resorts |
| | Elysium Holidays India Private Limited |
| | Grand Cloud Hotels India LLP |
| Firms in which the company exercises control or has significant influence | Grand Seven Hill Hotels |
| | Grand Continent Hotels – 1 |

**The following transactions were carried out with the related parties in the ordinary course of business**

*(₹ in Lakhs)*

| Sr. No. | Nature of Transactions | Name of related party | For the six months ended September 30, 2024 | For the year ended March 31, 2024 | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
|---|---|---|---|---|---|---|
| 1 | Director Remuneration | Vidya Ramesh | 15.00 | 30.00 | 6.00 | 6.00 |
| | | Ramesh Siva | 24.00 | 30.00 | 2.50 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Remuneration to KMP | Ananthakrishnan V | 12.50 | 4.20 | - | - |
| 2 | Loan (liability) repaid during the year | Ramesh Siva | - | 308.17 | 531.25 | - |
| | | Vidya Ramesh | - | 221.07 | 201.85 | - |
| | | Grand Continent Hotels - 1 | 6.42 | - | - | - |
| 3 | Loan (liability) given during the year | Ramesh Siva | - | - | 501.50 | - |
| | | Vidya Ramesh | - | - | 465.82 | - |
| | | Grand Seven Hill Hotels | 45.69 | 3.09 | - | - |
| | | Grand Continent Hotels - 1 | 56.07 | - | - | - |
| 4 | Repayment of money collected on behalf of company | Grand Hotels and Resorts | 16.22 | - | 7.24 | - |
| | | Elysium Holidays India Private Limited | 0.02 | - | 80.65 | - |
| 5 | Money collected on behalf of the company | Elysium Holidays India Private Limited | - | 21.97 | 66.77 | - |
| | | Grand Hotels and Resorts | - | 43.86 | - | - |
| 6 | Short term loan taken during the year | Grand Continent Hotels - 1 | - | 6.42 | - | - |
| | | Grand Seven Hill Hotels | - | - | 148.83 | - |
| 7 | Salary Advance | Ramesh Siva | 9.31 | - | - | - |
| | | Vidya Ramesh | 23.12 | - | - | - |
| 8 | Private Placement Shares issued | Ramesh Siva | - | 123.15 | - | - |
| | | Vidya Ramesh | 23.00 | 91.25 | - | - |
| 9 | Securities premium on the shares issues | Ramesh Siva | - | 49.26 | - | - |
| | | Vidya Ramesh | 133.40 | 36.50 | - | - |
| 10 | Bonus Shares issued | Ramesh Siva | 735.00 | - | - | - |
| | | Vidya Ramesh | 335.79 | - | - | - |
| 11 | Expenses reimbursable | Elysium Holidays India Private Limited | - | - | - | 47.74 |
| 12 | Drawings during the year | Grand Continent Hotels - 1 | 35.00 | 68.78 | - | - |
| | | Grand Seven Hills Hotels | 30.93 | 54.00 | - | - |
| 13 | Management Fees Income | Grand Continent Hotels - 1 | 60.00 | 59.85 | - | - |
| | | Grand Seven Hills Hotels | 60.00 | 62.18 | - | - |

**Outstanding Balance as at six months period ended September 30, 2024 and as at March 31, 2024, March 31, 2023, March 31, 2022 with related parties**

**a) Balance payable at the year-end:**

*(₹ in Lakhs)*

| Sr. No. | Nature of Transactions | Name of related party | As at and for the six months | As at and for the year ended | As at and for the year | As at and for the year |
|---|---|---|---|---|---|---|

| | | | ended September 30, 2024 | March 31, 2024 | ended March 31, 2023 | ended March 31, 2022 |
|---|---|---|---|---|---|---|
| 1 | Salary Payable | Ananthakrishnan V | 2.08 | 2.10 | - | - |
| 2 | Trade payable (net) | Elysium Holidays India Private Limited | - | - | 3.03 | 10.85 |
| 3 | Loan from related party | Ramesh Siva | - | - | 283.88 | 254.12 |
| | | Vidya Ramesh | - | - | 180.51 | 444.47 |
| | | Sambasivam | - | - | - | 16.05 |
| | | Grand Continent Hotels - 1 | - | - | - | - |
| 4 | Capital Advances | Grand Hotels & Resorts | - | - | 7.24 | - |

**b) Balance receivable at the year-end:**

*(₹ in Lakhs)*

| Sr. No. | Nature of Transactions | Name of related party | As at and for the six months ended September 30, 2024 | As at and for the year ended March 31, 2024 | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
|---|---|---|---|---|---|---|
| 1 | Long term loan given to related party | Grand Continent Hotels - 1 | 56.07 | - | - | - |
| | | Grand Seven Hills Hotels | 206.48 | 134.64 | 148.83 | - |
| 2 | Salary Advance | Ramesh Siva | 33.61 | 24.30 | - | - |
| | | Vidya Ramesh | 63.69 | 40.56 | - | - |
| 3 | Loan/ advances given to related party | Elysium Holidays India Private Limited | 25.02 | 25.00 | - | - |
| | | Grand Hotels and Resorts | 67.41 | 51.20 | - | - |

For further details in relation of the same, please refer the section titled '*Restated Consolidated Financial* Statements' beginning on page 234 of this Red Herring Prospectus.

## M. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby our Promoter, members of Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of filing of the Draft Red Herring Prospectus and this Red Herring Prospectus.

## N. WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES ACQUIRED BY EACH OF OUR PROMOTERS IN THE LAST 1 (ONE) YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS.

| Name of the Person(s) | No. of Equity share held as on date of RHP | No. of Equity Shares acquired in the last one year | Weighted average price per equity share in the last one year (in ₹) |
|---|---|---|---|
| **Promoters** | | | |
| Mr. Ramesh Siva* | 94,50,000 | 73,50,000 | Nil |
| Mrs. Vidya Ramesh | 45,47,300 | 35,87,900 | 4.36 |

*Pursuant to the certificate dated March 13, 2025, issued by, M/s. Bhuta Shah & Co LLP., Chartered Accountants.*

***Note:***

**Also, the Promoter Selling Shareholder*

## O. AVERAGE COST OF ACQUISITION OF SHARES

As on the date of this Red Herring Prospectus, the average cost of acquisition of or subscription to Equity Shares by our Promoters (including the Promoter Selling Shareholder) is set forth in the table below:

| Name | No. of Equity Shares held acquired / allotted till date of this Red Herring Prospectus* | Average cost of acquisition** (in ₹) |
|---|---|---|
| Mr. Ramesh Siva # | 95,40,500 | 2.81 |
| Mrs. Vidya Ramesh | 45,51,400 | 6.36 |

*Pursuant to the certificate dated March 13, 2025, issued by M/s. Bhuta Shah & Co LLP, Chartered Accountants*
*# Also, the Promoter Selling Shareholder*
**After bonus issue.*
*** Computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer). However, the Equity Shares transferred/sold have not been considered while computing number of Equity Shares .*

## P. WEIGHTED AVERAGE COST OF ACQUISITION OF ALL SHARES TRANSACTED BY THE PROMOTERS, PROMOTER GROUP AND THE PROMOTER SELLING SHAREHOLDER IN THE THREE YEARS, 18 MONTHS AND ONE YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS

| Period | Weighted Average Cost of Acquisition (in ₹) | Cap Price (₹113/-) is 'X' times the Weighted Average Cost of Acquisition | Floor Price (₹107/-) is 'X' times the Weighted Average Cost of Acquisition | Range of acquisition price: Lowest Price - Highest Price (in ₹)$ |
|---|---|---|---|---|
| Last 1 year | 1.43 | 79.02 | 74.83 | 0.00 – 68.00 |
| Last 3 years | 3.57 | 31.65 | 29.97 | 0.00 – 68.00 |
| Last 18 months | 3.57 | 31.65 | 29.97 | 0.00 – 68.00 |

*Pursuant to the certificate dated March 13, 2025, issued by M/s. Bhuta Shah & Co LLP, Chartered Accountants*
*$ Amounts are Post Bonus Issue Impact*

## Q. ACQUISITION OF EQUITY SHARES IN THE LAST THREE YEARS

The details of price at which equity shares were acquired by Promoters (including the Promoter Selling Shareholder) and the members of the Promoter Group in the last three years preceding the date of this Red Herring Prospectus is set forth below:

| Name of Shareholders | Nature of Acquisition | Date of Acquisition | Number of Equity Shares Acquired | Face Value (in ₹) | Acquisition Price Per Equity Share (in ₹)* |
|---|---|---|---|---|---|
| **Promoters** | | | | | |
| Mr. Ramesh Siva# | Allotment – Conversion of Loan to Equity | September 29, 2023 | 12,31,500 | 10 | 14 |
| | Allotment- Bonus Shares | July 11, 2024 | 73,50,000 | 10 | Nil |
| Mrs. Vidya Ramesh | Allotment – Conversion of Loan to Equity | September 29, 2023 | 9,12,500 | 10 | 14 |
| | Allotment- Bonus Shares | July 11, 2024 | 33,57,900 | 10 | Nil |
| | Allotment- Private Placement | August 05, 2024 | 2,30,000 | 10 | 68 |
| **Promoter Group (other than Promoters)** | | | | | |
| Nil | | | | | |

*# Also, the Promoter Selling Shareholder*
**As certified by M/s. Bhuta Shah & Co LLP., Chartered Accountants, by way of their certificate dated March 13, 2025.*

## R. DETAILS OF PRE-IPO PLACEMENT

Our Company has not made any pre-IPO placement. Further, our Company does not contemplate any issuance or placement of Equity Shares from the date of this Red Herring Prospectus till the listing of the Equity Shares.

## S. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH IN LAST 1 (ONE) YEAR

Other than as disclosed in the section "*Capital Structure*" on page 100 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash except bonus issue in the 1 (one) year preceding the date of this Red Herring Prospectus.

## T. SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST 1 (ONE) YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Red Herring Prospectus.

## U. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not applied to SEBI for any exemption from complying with any provisions of securities laws, as on the date of this Red Herring Prospectus.

## SECTION III: RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares.*

*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 risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 162 and 268 of this Red Herring Prospectus respectively as well as other financial and statistical information contained in this Red Herring Prospectus.*

**This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Restated Consolidated Financial Statements of our Company prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto.**

**Materiality**

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

1. Some events may have material impact qualitatively instead of quantitatively;
2. Some events may not be material individually but may be found material collectively;
3. Some events may not be material at present but may be having material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this section, please refer to the section titled *'Definitions and Abbreviations'* as described on the beginning of page 7 of this Red Herring Prospectus

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

In this Red Herring Prospectus, discrepancies, if any, between total and the sums of the amount listed are due to rounding off.

**INTERNAL RISKS**

**1. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.**

We have issued Equity Shares in the preceding 12 months prior to the date of this Red Herring Prospectus at a price which may be lower than the Offer Price. For further details, refer section titled "*Capital Structure – Notes to the Capital Structure - Issue of Equity Shares at a price lower than the Offer Price in the last one year*" on page 100 of this Red Herring Prospectus .

**2. Majority of our properties are on long lease or license. If we are unable to comply with the terms of the lease or license agreements, renew our agreements or enter into new agreements on favorable terms, our business, results of operations and financial condition and cash flows may be adversely affected.**

As of the date of this Red Herring Prospectus, out of 20 hotel properties in India including hotel properties of JV Partner Entities, 2 owned hotel properties, 14 hotel properties are subject to lease arrangements and 4 hotel properties are subject to license arrangements. Majority of hotel properties are on leased or licensed arrangements on long-term tenures for a

period of 5 to 18 years (including lock in period of 2 to 7 years), which term may be extended for a further period of 3 to 7.5 years. The details of the license/lease for our hotels are set out below:

**A) Lease/license Agreement with Our Company (Operational Properties)**

| Sr. No. | Document and Date | License/ Lease period | Address of the property | Rent/ License Fee (in ₹) per month | Purpose used |
|---|---|---|---|---|---|
| 1. | Lease Agreement dated July 31, 2024 | July 01, 2022 till June 30, 2032 (10 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 73, 1st main road, S.T. Bed, Koramangala 4th block, Koramangala, Bangalore, Karnataka, India. Pincode-560034 | 1st Year,<br>- first 2 months - No Rent,<br>- next 6 months – ₹ 3,25,000 plus GST<br>- next 4 months – ₹ 3,75,000 plus GST<br><br>2nd Year,<br>- ₹ 4,25,000 plus GST<br><br>3rd Year onwards<br>- An annual escalation of 5% | Hotel Regenta Inn - 4th block Koramangala |
| 2. | Lease Agreement dated August 28, 2023 | August 28, 2023 till August 27, 2031 (8 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 75, Ward no 3, Bagalur road, AvalapalliHudco, Hosur, Tamil Nadu, India Pincode-635109 | 1st Year,<br>Fit out period (2 months)<br>- No Rent,<br><br>3rd month onwards,<br>- ₹ 12,00,000 including GST,<br><br>2nd Year<br>- ₹13,50,000 including GST<br><br>3rd Year<br>- Rs 14,17,500 including GST.<br><br>4th Year onwards<br>- An annual escalation of 5% | Hotel Grand Continent – Hosur |
| 3. | Lease Agreement dated October 25, 2023 | 18 years [till June 30, 2041]<br><br>Lock-in Period: 7 years | No. 115, site No. 43, Nagavara Village, Kasabahobli, Bengaluru, Karnataka, India. Pincode- 560045 | 1st Year,<br>- Rs 12,00,000 plus GST<br><br>2nd Year,<br>- ₹13,00,000 plus GST<br><br>3rd Year, | Hotel Grand Continent - Hebbal Manyata |

| | | | | | |
|---|---|---|---|---|---|
| | | Renewable Period: 5 years | | - Rs 13,50,000 plus GST<br><br>4th Year onwards,<br>- An escalation of 10% increase every three years | |
| 4. | Lease Agreement dated November 19, 2023 | February 01, 2024 till January 31, 2033 (9 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 3 years | Building No./Flat No. 8-1-1 2/1 to 4 and 8-1-3/4 to 3, Oxford Street, S.D. Road, Secunderabad, Hyderabad, Telangana, India. Pincode-500003<br>. | 1st Year,<br>- first 6 months - ₹ 9,00,000 plus GST,<br>- next 6 months - ₹ 10,00,000 plus GST,<br>2nd Year,<br>- ₹ 10,00,000 plus GST<br><br>3rd and 4th Year,<br>- ₹ 11,00,000 plus GST<br><br>5th and 6th Year<br>- ₹ 12,10,000 plus GST<br><br>7th and 8th Year<br>- ₹ 13,31,000 plus GST<br><br>9th Year<br>- ₹ 14,64,000 plus GST | Hotel Grand Continent – Secunderabad |
| 5. | Leave and License Agreement dated February 23, 2024 | April 01, 2024 till March 31, 2034 (10 Years term of 11 months each)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: As mutually agreed by the Parties. | H. No. 1702, Anjuna, Bardez, Goa, India. Pincode- 403509 | 1st Year,<br>- ₹ 15,00,000 plus GST<br><br>Next 3 Years,<br>- ₹ 16,00,000 plus GST<br><br>5th Year onwards,<br>- An escalation of 15% increase every 3 years. | Hotel Grand Continent – Anjuna |
| 6. | Lease Agreement dated December 15, 2021 | October 01, 2021 till September 30, 2031 (10 Years)<br><br>Lock-in Period: 7 years | Municipal No. 9, 100 feet Road, Ejipura, Bangalore, Karnataka, India. Pincode-560047 | 1st2 Years<br>- ₹ 12,00,000<br><br>3rd Year onwards,<br>- An escalation of 15% every 3 Years. | Hotel Tulip Inn - Ejipura Koramangala |

| | | | | | |
|---|---|---|---|---|---|
| | | Renewable Period: 5 years | | | |
| 7 | Leave and License Agreement dated February 06, 2024 | December 04, 2023 till December 03, 2032 (09 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 18 &19, 1st cross, Malleswaram, Bangalore, Karnataka, India. Pincode-560003 | 1st Year<br>- First 2 months- No Rent<br>- Next 3 months – ₹ 6,00,000 plus GST<br>- Next 7 months- ₹ 6,50.000 plus GST<br>2nd Year<br>- First 5 months- ₹ 6,50,000 plus GST<br>- Next 7 months- ₹ 7,00,000 plus GST<br>3rd Year<br>- First 5 months- ₹ 7,00,000 plus GST<br>- Next 7 months- ₹ 7,50,000 plus GST<br>4th Year<br>- First 5 months- ₹ 7,50,000 plus GST<br>- Next 7 months- ₹ 7,87,500 plus GST<br>5th Year<br>- First 5 months- ₹ 7,87,500 plus GST<br>- Next 7 months- ₹ 8,26,875 plus GST<br>6th Year<br>- First 5 months- ₹ 8,26,875 plus GST | Hotel Grand Premier Suites - Malleswaram |

| | | | | | |
|---|---|---|---|---|---|
| | | | | - Next 7 months- ₹ 8,68,219 plus GST<br>7th Year<br>- First 5 months- ₹ 8,68,219 plus GST<br>- Next 7 months- ₹ 9,11,630 plus GST<br>8th Year<br>- First 5 months- ₹ 9,11,630 plus GST<br>- Next 7 months- ₹ 9,57,211 plus GST<br>9th Year<br>- First 5 months- ₹ 9,57,211 plus GST<br>- Next 7 months- ₹ 10,05,072 plus GST | |
| 8. | Lease Agreement dated December 31, 2023 | 10 Years from January 01, 2024 (10 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 26, Bharat House Building Co-operative Society, BTM Layout, Bengaluru, Karnataka, India. Pincode-560065 | 1st Year<br>- First 3 months- ₹ 3,00,000 plus GST<br>- 4th month onwards (till metro construction period ends)- ₹ 3,50,000 plus GST<br>- Post metro construction period onwards- An annual escalation of 5% on ₹ 3,50,000. | Hotel Grand Continent - Bannerghatta Road |
| 9. | Leave and License Agreement dated March 08, 2024 | 10 years (Comprise of initial term of 11 months and thereafter Automatic | Survey No. 207/7, Sakhribatle,Morjim, Pernem, Goa, India. Pincode- 403509 | 1st Year,<br>- Fit out Period (3 months) - No Rent<br>- Next 9 months- | Hotel Grand Continent – Morjim |

| | | | | | |
|---|---|---|---|---|---|
| | | renewal for rest of term) | | ₹ 15,00,000 plus GST<br>Next 2 term of 11 months,<br>- ₹ 15,00,000 plus GST,<br><br>Thereafter,<br>An escalation of 12% every 3 terms of 11 months. | |
| 10. | Lease Agreement dated April 11, 2024 | 11 Years from agreement dated April 11, 2024<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | Diya Sumana New No. 7, ShalivahanaRoad, Nazarbad Mahalla, Mysore, Karnataka, India. Pincode- 570010 | 1st Year,<br>- Fit out Period (45 days) - No Rent,<br>- Post Fit out Period – ₹ 9,00,000 plus GST<br>2nd Year onwards, An escalation of 10% every 3 years. | Grand Continent - Mysore |
| 11. | Lease Agreement dated April 05, 2024 | April 01, 2024 till March 31, 2034 (10 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | Sy no. 74/1, ITPL main road, Thubarahalli, Bangalore, Karnataka, India. Pincode- 560066 | 1st Year<br>- Fit out Period (45 days)- No Rent,<br>- First 6 months (post fit out period)- ₹ 22,00,000 plus GST,<br>- Next 6 months- ₹ 23,50,000 plus GST<br>2nd Year,<br>- ₹ 25,00,000 plus GST<br><br>3rd Year onwards, An annual escalation of 5%. | Hotel Grand Continent - Brookfield |
| 12. | Lease Agreement dated March 01, 2024 | March 01, 2024 till February 28, 2034 (10Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 15, Downtown Park, Sadahalli Road & Gate, Bangalore International Airport Road, Bengaluru, Karnataka India. Pincode- 562157 | 1st Year,<br>- Fit out Period First month - No Rent,<br>- Fit out Period Second month - Rs 4,87,500 plus GST,<br>- Third month onwards – ₹ 9,75,000 plus GST<br><br>2nd Year onwards An escalation of 9% every 2 Years | Hotel Grand Continent - Devanhalli |

| | | | | | |
|---|---|---|---|---|---|
| 13 | Lease Agreement dated October14, 2024 | 78 months from the date of handover i.e. September 30, 2024 (6.5 Years)<br><br>Lock-in Period: 2 Years<br><br>Renewable Period: As mutually agreed by the Parties | New S. No. 245/1A/1B, VenpurshamVillage, MamallapuramVeeralapakkam, Thiruporur, Chengalpattu, Tamil Nadu, India. Pincode-603110 | 1st Year,<br>- Fit out Period (60 days) - No Rent<br>- Next 4 months- ₹ 15,00,000 plus taxes<br>- Next 6 months- ₹ 17,00,000 plus taxes<br>2nd Year,<br>- First 6 months ₹ 17,00,000 plus taxes,<br>- Next 6 months ₹ 20,00,000 plus taxes<br><br>3rd Year onwards, ₹ 20,00,000 plus taxes. | Hotel Grand Continent - Mahabalipuram |
| 14. | Leave and License Agreement dated November29, 2024 | November 29, 2024 till November 28, 2029 (5 Years)<br><br>Lock-in Period: 5 years<br><br>Renewable Period: 5 years | No. 5-3/9P/15P, PTIN No. 1262607804, Survey No. 222 (Old), 222(New), Sai Tulasi Enclave –I, Vattinagulapally Village, Gandipet Mandal, Rangareddy, Telangana | 1st Year,<br>- Rs. 13,50,000 plus taxes<br>2nd Year<br>- Rs. 14,17,500 plus taxes<br>3rd Year<br>- Rs.14,88,375 plus taxes<br>4th Year<br>- Rs. 15,62,794<br>5thYear<br>- Rs. 16,40,933 | Hotel Grand Continent - Gachibowli |
| 15. | Lease Agreement dated February 20, 2025 | March01, 2025 till February 28, 2033 (8Years)<br><br>Lock-in Period: 3 years<br><br>Renewable Period: As mutually agreed. | Survey No. 10 (Part), White Fields, Kondapur Village, Serillingampally Mandal, Rangareddy, Telangana, India. | 1st Year,<br>- Rs. 22,50,000<br><br>2nd Year onwards, An annual escalation of 5%. | Hotel Grand Continent - Hi Tech City |

**B) <u>Lease Agreement with JV Partner Entity (Operational Properties)</u>**

| Sr. No. | Document and Date | License/ Lease period | Address of the property | Rent/ License Fee (in ₹) per month | Purpose used |
|---|---|---|---|---|---|
| 16. | Lease Agreement dated September 09, 2022 | 10 years from date of handover | Fern City Road, Doddanekkundi, K.R. Pura Hobli, Bengaluru, | 1st Year,<br>- ₹ 9,50,000 plus GST | Hotel Regenta Inn - ORR Mahadevapura |

| | | | | | |
|---|---|---|---|---|---|
| | | Lock-in Period: 5 years<br><br>Renewable Period: 5 years | Karnataka, India. Pincode- 560037 | 2nd Year,<br>- ₹ 10,50,000 plus GST<br><br>3rd Year onwards,<br>- An annual escalation of 5% of the last paid rent. | |
| 17. | Lease Agreement dated July 17, 2022 | 9 years from date of agreement<br><br>Lock-in Period: 7 years<br><br>Renewable Period: 6 years | Ward no. 20, Siva jyothi Nagar, near Nandi Circle, Tirupati, Andra Pradesh, India. Pincode- 517507 | 1st Year,<br>- Fit out Period (3 months) - No Rent,<br>- Next 6 months- ₹ 16,00,000 plus GST,<br>- Next 3 months- 21,00,000 plus GST.<br>2nd Year onwards,<br>- An annual escalation of 5% | Hotel Golden Tulip – Tirupati |

**C) Lease/license Agreement with Our Company (Properties yet to be Operational)**

| Sr. No. | Document and Date | License/ Lease period | Address of the property | Rent/ License Fee (in ₹) per month | Purpose used |
|---|---|---|---|---|---|
| 18. | Lease Agreement dated July 12, 2024 | 10 Years from the date of handover<br><br>Lock-in Period: 5 Years<br><br>Renewable Period: 5 Years | No. 1/11, Ramasamy Street, T. Nagar, Chennai, Tamil Nadu, India. Pincode- 600017 | 1st Year,<br>- Fit out Period (30 days)- No Rent<br>- Next month onwards- ₹ 12.00.000 plus taxes<br>Thereafter,<br>- An escalation of 20% every 3Years. | Hotel Grand Continent - T. Nagar |

Our continued operation of these hotel properties is dependent on our continued enjoyment of these leases and licenses. Since the lease or license agreements are subject to renewal from time to time, there may be increases in lease premium/rentals payable due to factors such as inflation, increased competition in the property market or other market forces. Any breach of the terms and conditions set out in these lease or license agreements could result in penalties and may adversely affect our rights over such properties resulting in us failing to secure renewal of these arrangements. We cannot assure you that we will be able to fully comply with all the terms of the lease deeds or leave and license agreement which we have entered into in relation to these properties, renew such agreements or enter into new agreements in the future, on terms commercially favorable to us, or not renew at all. For instance, our hotel property at Anjuna, Goa, have been licensed to us by the original licensor who have been authorised by the landlords vide Memorandum of Understanding dated October 13, 2022 ("MoU-Anjuna") to enter into any leave and license agreement in respect of Grand Continent – Anjuna. Although the landlord has agreed to enter into sale deed with the original licensor within 90 days of execution of the MoU-Anjuna, however, no such sale deed in respect of Grand Continent – Anjuna has been executed till date. Further, our hotel property at Morjim, Goa, have been sub-licensed to us by the licensor who have obtained the property from the landlords vide leave and license agreement dated December 21, 2022 for 12 rooms guest house and construction of additional rooms upto 40 rooms.

While we have not faced any instances of disputes (including receipt of any default letters) from our lessors/licensors in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, in the event that any lease deed or

license agreement 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 properties for our business and we may be unable to benefit from the existing capital expenditure and investments made by us in such hotels. Further, we may be required to allocate time and financial resources to vacate such premises which will disrupt our operations and cash flows. We may also be unable to identify hotel properties in such jurisdictions in a timely manner, and so we could lose our brand value and customer loyalty in that jurisdiction.

Further, any regulatory non-compliance by the lessors/licensors 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 lessors/licensors or adverse development relating to the lessors/licensors' title or ownership rights in the stub period ended September 30, 2024 and Fiscals 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, rights of the owners/landlords 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 leave and license agreements were terminated prior to its tenure in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, in the event any of our lease deeds or license agreement is terminated prior to its tenure, or if we are unable to secure renewal of the agreements on favorable terms or at all or if we are required to re-negotiate and agree to higher rates for such lease or license, or if we are required to cease business operations at a hotel property 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, refer section titled "*Our Business – Land and Property-Operational Leasehold Properties*" on page 162 of this Red Herring Prospectus.

**3. Some of our agreements may be under stamped or inadequately stamped or unregistered and if any financial or judicial implication arises out of the same it may have an adverse effect on the Company's business and reputation.**

Some of our lease/license agreements and Memorandum of Understandings with clients, joint venture partners etc. may have certain irregularities such as inadequate stamping, incorrect registered office address and / or non-registration of deeds and agreements and improper execution of deeds. An inadequately stamped document and non-registration of documents affects their inadmissible as evidence before any judicial forum and we, as parties to that agreement, may not be able to legally enforce the same, unless the defects are rectified and after paying a penalty for inadequate stamping, non-registration, etc.
We have not faced any instances where unregistered and inadequately stamped lease agreements or other agreements entered into by us faced challenges in enforcement or admitting the same as evidence in a court in India, which has then caused disruptions in our operations or result in our inability to continue to operate from the relevant locations during the past six months period ended September 30, 2024 and the Fiscals 2024, 2023, and 2022. However, in the event of any dispute arising out of such unstamped, or inadequately stamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which could materially and adversely affect our business, financial condition, results of operations and prospects.

**4. A majority of our properties are operating under Sarovar Brands /Royal Orchid Brands pursuant to the franchise/ trademark license agreements with the Sarovar/Royal Orchid, and we are subject to risks, including non-renewal, termination and disputes, associated with such contracts**

Our Company have entered into 11 (eleven) franchise/ trademark license agreements with Sarovar/Royal Orchid to operate ten of our key properties located in Karnataka (Bengaluru), Goa (Anjuna), Tamil Nadu (Hosur) and Telangana (Secunderabad), under the Sarovar Brands /Royal Orchid Brands. Our Company has also entered into 1 (one) franchise cum trademark license agreement with the Sarovar to operate one of our key property located in Karnataka, under the Golden Tulip/Tulip Inn brand. Our JV Partner Entities have also entered into 2 (two) franchise/ trademark license agreements with Sarovar/Royal Orchid to operate it key properties located in Tirupati (Andhra Pradesh) and Bengaluru (Karnataka), under the Sarovar Brand/Royal Orchid Brand respectively. For more details, refer section titled "*History And Certain Other Corporate Matters – Other agreements*" on page 196 of this Red Herring Prospectus. The franchise/ trademark license agreements allow us to facilitate/supplement our sales and marketing efforts and generate leads for these hotel properties. Similarly, the franchise/license agreement also creates a continuing obligation on the Company to maintain certain protocols and standards with reference to use of brand name, displays, reservations system know how, marketing and promotional materials etc in connection with the operation of such properties. The franchisor/licensor also conducts training and workshops programs for our hotel staff. Any breach of the terms and conditions set out in these franchise/ license agreements could result in liquidation damages or termination compensation and may adversely affect our rights over such brands resulting in us failing to secure renewal of these arrangements.

While none of our franchise/trademark license agreements were terminated prior to termination date and we have not had any disputes with our franchisee partners in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, should there be a dispute regarding our compliance with the SOP's mandated by the franchisee partners, or should these licenses be terminated or not renewed, we will not be able to continue using the Sarovar Brand /Royal Orchid Brand names at our properties, or have access to the reservations system of such brands which could have a material adverse impact on our ability to attract customers and impact our business and financial results.

**5. Our franchise/ trademark license agreements with the Sarovar/Royal Orchid are non-exclusive**

Since our franchise/ trademark license agreements with the Sarovar/Royal Orchid are non-exclusive, we may face the risk of competing hotels operating under the same brand as our hotels in the cities - Tirupati (Andhra Pradesh), Bengaluru (Karnataka), Anjuna (Goa), Hosur (Tamil Nadu), and Secunderabad (Telangana). If such hotels were to start operating in cities where we have hotels under the same franchise/trademark license arrangement, it would undermine our brand differentiation which would have a material adverse effect on our business and financial results.

**6. As on September 30, 2024, a significant portion of our hotel keys and revenue from operations is derived from hotels properties concentrated in the city of Bengaluru (Karnataka) and Tirupati (Andhra Pradesh) out of the portfolio of 16 operational hotel properties, 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.**

A significant portion of our hotel keys and revenue from operations during the stub period ended September 30, 2024 and last three Fiscals is derived from hotels properties located in the city of Bengaluru (Karnataka) and Tirupati (Andhra Pradesh) out of the portfolio of 16 operational hotel properties, details of which are as follows:

| Particulars | For the stub period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| | | | | |
| Total operational Hotels | **16** | **12** | **7** | **5** |
| Hotels in Bengaluru | 10 | 8 | 6 | 5 |
| Hotel in Tirupati | 1 | 1 | 1 | 0 |
| | | | | |
| % Hotels in Bengaluru to Total Hotels | 62.5% | 66.67% | 85.71% | 100% |
| % Room revenues from properties in Bengaluru | 60.39% | 69.24% | 99.74% | 100% |
| | | | | |
| % Hotels in Tirupati to total Hotels | 6.25% | 8.33% | 14.29% | - |
| % Room revenues from properties in Tirupati | 17.32% | 26.24% | 0.26% | 0% |
| Total Keys of operational properties | 753 | 531 | 329 | 192 |
| Keys from properties in Bengaluru | 458 | 314 | 241 | 192 |
| % Keys in Bengaluru to Total Keys | 60.82% | 59.13% | 73.25% | 100% |
| Keys from properties in Tirupati | 88 | 88 | 88 | - |
| % Keys in Tirupati to Total Keys | 11.69% | 16.57% | 26.74% | - |

The hotel property located in the city of Tirupati is separate property operated by JV Partner Entity and operating under Golden Tulip Brand. For further information on operating information pertaining to the above-mentioned hotels, refer section titled "*Our Business – Our Operational Hotel Properties*" on page 162 of this Red Herring Prospectus.

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

We have not experienced any significant disruptions or shutdown of the hotels in the stub period ended September 30, 2024 and last three Fiscals, 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. For details of the impact faced by our Company due to the COVID-19 pandemic, refer section titled "*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 38 of this Red Herring Prospectus. In addition, changes in the policies of the state or local governments of the regions where these hotels are situated, 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 hotels in the future.

**7. We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition**

We are subject to extensive government regulation with respect to safety, health, environmental, real estate, food, excise, property tax and labor laws at a central and state level. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. We provide hospitality services, including sale of food and beverage including wine and liquor, cleaning and housekeeping, at our hotels. In rendering such services, we are subject to a broad range of safety, environmental, food, real estate, taxation, excise, labor, 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. While the day-to-day operations at our hotels are managed by Our Company, we are responsible for obtaining and maintaining all government and regulatory approvals required in relation to the operations and services provided at each of our hotels. For details of the key regulations applicable to us and the key approvals and licenses we are required to maintain, refer section titled "*Key Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 188 and 304, respectively. However, the Company is yet to obtain certain license or approval or consent required for the operations of the hotels in India or has obtained certain license or approvals in the name of the landlords/original licensor. For instance, under the municipal laws and local laws of the hotels, we might be subject to obtaining No Objection Certificate from the local fire department, which we have not obtained. Though no incidents have occurred, we cannot promise no incidents will occur in future. At each Hotel, Company has strived to comply with fire safety norms by way of installation of necessary fire safety equipment. Further, any regulatory actions for such pending approvals or non-compliances could entail significant disruptions to our operations, fines/penalties, especially if we may be forced to vacate leased spaces following any such actions, and expose us to reputation risks. While we have not faced any instances of regulatory non-compliance, there is no assurance that such events will not occur in the future. Any regulatory actions in respect of the premises/hotels we operate may adversely affect our business, results of operations, financial condition and cash flows.

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, alcoholic and non-alcoholic 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 excise policy, 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.

While we obtain a number of necessary approvals for our operations, certain of such approvals are subject to renewal in the ordinary course of business or may require updation.

For details on material approvals of our Company, including applications filed for renewal or modification of such approvals, refer section titled "*Government and Other Approvals – Material licenses/ approvals for which the Company is yet to apply*" and "*Licenses for which application is made*" on page 304 of this Red Herring Prospectus.

Further, the details in relation to the material approvals of our Company which are due to expire in FY 2025 and 2026, are set forth below:

| Name of the Property | Type of License | Applicable Law | Date of Expiry |
|---|---|---|---|
| Hotel Grand Continent – Hosur | Registration Certificate under Shops and Establishment Act | The Tamil Nadu Shops and Establishments Act, 1947 | December 31, 2025 |

| | | | |
|---|---|---|---|
| Hotel Grand Continent – Hosur | FSSAI License | Food Safety and Standards Act, 2006 | October 01, 2025 |
| Hotel Grand Continent - Hebbal Manyata | FSSAI License | Food Safety and Standards Act, 2006 | January 07, 2026 |
| Hotel Regenta Inn - ORR Mahadevapura | FSSAI License | Food Safety and Standards Act, 2006 | November 20, 2025 |
| Hotel Golden Tulip - Tirupati | FSSAI License | Food Safety and Standards Act, 2006 | March 22, 2025 |
| Hotel Grand Continent – Secunderabad | FSSAI License | Food Safety and Standards Act 2006 | May 14, 2025 |
| Hotel Grand Continent – Secunderabad | Trade License (Provisional Certificate) | Greater Hyderabad Municipal CorporationAct, 1955 | December 31,2025 |
| Hotel Tulip Inn - Ejipura Koramangala | FSSAI License | Food Safety and Standards Act, 2006 | November 29, 2025 |
| Hotel Grand Continent – Malleswaram | FSSAI License | Food Safety and Standards Act, 2006 | July 15, 2025 |
| Hotel Regenta Inn Grand - 8th Block Koramangala | FSSAI License | Food Safety and Standards Act, 2006 | October 15, 2025 |
| Hotel Grand Continent - Bannerghatta Road | Registration Certificate under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act. 1961 | December 31, 2025 |
| Hotel Grand Continent - Morjim | Tourism Certificate | Goa Registration of Tourist Trade Act, 1982 | March 31, 2025 |
| Hotel Grand Continent - Morjim | FSSAI License | Food safety and Standards Act,2006 | December 05, 2025 |
| Hotel Grand Continent - Mysore | Trade License | Karnataka Municipal Corporation Act, 1976 | March 31, 2025 |
| Hotel Grand Continent - Mysore | FSSAI License | Food Safety and Standards Act, 2006 | October 03, 2025 |
| Hotel Grand Continent - Devanhalli | FSSAI License | Food Safety and Standards Act, 2006 | October 15, 2025 |
| Hotel Grand Continent - Devanhalli | Trade License | Karnataka Municipal Corporation Act, 1976 | March 31, 2025 |

Our Company and JV Partner Entities have made applications for the below mentioned licenses which are subject to approval from the relevant statutory authorities:

| Name of the Property | Type of License | Applicable Law | Application date |
|---|---|---|---|
| Hotel Grand Continent – Brookfield | Shops and Commercial Establishment License | Karnataka Shops and Commercial Establishment Act,1961 | December 03, 2024 |
| Hotel Grand Continent – Brookfield | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | March 03, 2025 |
| Hotel Grand Continent – Hi-Tech | FSSAI License | Food Safety and Standards Authority of India (Government of Telangana) | March 09, 2025 |

The material licenses/ approvals for properties yet to be operational are mentioned below for which our Company and JV Partner Entities are yet to apply as on the date of this Red Herring Prospectus:

| Name of the location of hotel | Description | Applicable Laws |
|---|---|---|
| Hotel Grand Continent – Mahabalipuram | GST Certificate | Central Goods and Services Tax, 2017 and Tamil Nadu Goods and Services Tax, 2017 |
| Hotel Grand Continent – Gachibowli | GST Certificate | Central Goods and Services Tax, 2017 and Telangana Goods and Services Tax, 2017 |
| Hotel Grand Continent – Gachibowli | Registration Certificate under Shops and Establishment Act | Telangana Shops and Establishments Act, 1988 |
| Hotel Grand Continent – Gachibowli | FSSAI License | Food Safety and Standards Authority of India (Government of Telangana) |
| Hotel Grand Continent – Hi-Tech | GST Certificate | Central Goods and Services Tax, 2017 and Telangana Goods and Services Tax, 2017 |
| Hotel Grand Continent – Hi-Tech | Registration Certificate under Shops and Establishment Act | Telangana Shops and Establishments Act, 1988 |

We may also need to apply for additional approvals, including renewal or modification of existing approvals in the ordinary course of business. Our hotels and related facilities (such as banquet halls) continue to be operated while the relevant licenses may be in the process of renewal. Any delay in the issuance of such licenses or approvals, especially licenses which are required to be renewed for an operating hotel, may adversely impact the revenue of such hotel. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all.

Further, the approvals required by us are subject to numerous eligibility conditions and ongoing compliance. In the event of any non-compliance or alleged non-compliance with the terms and conditions thereof may result in such approval being suspended or revoked. Further, if the laws governing our business are amended, we may need to obtain additional approvals, incur increased costs, have our approvals and permits revoked or suffer a disruption in our operations, which could adversely affect our business.

**8. Negative customer experiences or negative publicity surrounding our hotel properties 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.**

Many online intermediaries allow customers to rate and review our hotels. Our hotel properties currently have average customer rating of 4 on the website of intermediaries for hotel bookings. 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, while we have not faced any instances of incorrect information being uploaded about our hotels by such intermediaries in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, any failure or delay on our part in scrutinizing and rectifying any incorrect details of our hotels posted on travel portals in the future may adversely affect the reputation of our hotels and cause negative publicity

Further, Sarovar/Royal Orchid-branded hotels are operated globally, and any negative publicity in relation to the Sarovar/Royal Orchid 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 stub period ended September 30, 2024 and Fiscals 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.

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, we may be required to incur additional expenses towards advertising and promotional activities to attract customers. Further, we intend to develop and expanding our hospitality assets and accordingly, we may need to make greater investments toward advertising and promotional activity in new markets where we establish our hotels.

For further details in relation to our strategies on developing and expanding our hospitality assets, refer to section "*Our Business – Our Strategies*" on page 162 of this Red Herring Prospectus.

**9. Certain of our Joint Ventures, Group Company and Promoter Group entities incorporated in India or outside India have common pursuits as they are engaged in similar business or industry segments and may compete with us**

Our Joint Ventures, Group Company and Promoter Group entities incorporated in India and outside India, are engaged in businesses which are similar to that of our Company. Therefore, there may be conflict of interest in allocating business opportunities between us, such Joint Ventures, Group Companies and Promoter Group entities.

The Company vide its letters dated June 19, 2024, July 18, 2024, have permitted Mr. Ramesh Siva and Mrs Vidya Ramesh to use the words "Grand Continent" in the name of Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC, respectively. Pursuant to above letters, Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC have been restricted to operate outside their respective jurisdictions viz., UAE and London, United Kingdom. The Company can operate in the said jurisdictions without any restrictions.

We cannot assure you that there will not be any conflict of interest between our Company, Joint Ventures, Group Companies and Promoter Group entities in the future. We have not entered into any non-compete agreements with such Joint Ventures, Group Companies and Promoter Group entities and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance. For further details, please refer section titled, "*History and Certain Corporate Matters –Joint Ventures of our Company*" and "*Group Companies*", "*Our Promoters and Promoter Group*" at pages 196,230 and 226, respectively.

**10. Changes in travellers' preferences due to cost of travel, spending habits, competition from alternative accommodation, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows.**

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 diversified offerings from hospitality industry in terms of alternative accommodation option like homestays, villas, hostels, short-term rentals are playing an important role in meeting the evolving demands of travellers. These alternatives often offer unique experiences and competitive pricing, attracting a segment of travellers. seeking more personalized or cost-effective options, posing a significant threat to mid-scale hotels. (Source: Ken Research)

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.

**11. 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. Absence 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, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to obtained credit rating for our credit facilites.

While our Company has not obtained any credit ratings during the stub period ended September 30, 2024 and Fiscals 2024, 2023 and 2022, this could increase the possibility of additional terms and conditions being added to any new or

replacement financing arrangements and can lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. For more information, refer section titled "*Financial Indebtedness*" on page 289 of this Red Herring Prospectus.

**12. 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 condition.**

Our business is capital intensive as we require capital including working capital to operate and expand our hotel properties and operations. One of the objects of the Offer is to expand our hotel footprint for which we have identified five properties across India for which an amount of ₹ 1,679.24 lakhs is being demarcated from the Net Proceeds of the Fresh Issue. This translates to an approx. average spend of ₹335 lakhs per property. This amount covers the expenditure to be incurred in getting the property ready for onboarding and welcoming guest. This spend broadly includes interiors and furnishing, equipment including kitchen equipment, equipment for getting facilities | banquet halls and other utility areas operational. For further information, refer section titled "*Objects of the Offer – Details of the Objects of the Offer – Expansion of our Hotel properties in India*." on page 114 of this Red Herring Prospectus. As we intend to grow our business by expanding keys in new hotel properties, our growing scale of operation and planned expansion may result in increase in the quantum of working capital required. Our inability to maintain sufficient cash flows, credit facility and other sourcing of finance for the same, could adversely affect our results of operations, financial conditions and cash flows.

Simultaneously, it is worth noting that new mid-scale properties typically take 12 to 18 months to achieve stable occupancy levels (60-70%), depending on factors such as the property's location in a high-demand tourist or business hub, brand affiliation, seasonality, market conditions, and the effectiveness of its marketing, distribution strategy, and guest experience. In cases where the location is favorable and guest experience is positive, this period can shorten to 6-12 months (Source: Ken Research). Longer lead times to get optimal occupancy level could lead to additional financing arrangements to cover working capital cost. Further, there is no assurance that these expenditures and enhancements will result in increased revenues or profits in the near future or at all.

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. Any time or cost overruns in relation to our ongoing and future expansion may have a material adverse effect on our business, results of operations, reputation, cash flows and financial condition.

**13. Our inability to protect or use our intellectual property rights may adversely affect our business.**

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. We hold one registered Trademark and one trademark for which application is made under the Trademarks Act. For further details in relation to our intellectual property approvals, refer section titled "*Our Business – Intellectual Property*" on page 162, respectively of this Red Herring Prospectus. In addition, we have entered into trademarks license agreements with Sarovar or Royal Orchid pursuant to which we have been granted certain non-exclusive, non-transferable, revocable, limited licenses for usage of trademarks for the duration of the relevant agreements.

Our failure to renew or protect our intellectual property rights may undermine our brand and hinder the growth of our business. If any of our confidential or proprietary information were to be disclosed or misappropriated, or if a competitor independently developed any such information, our competitive position could be harmed. 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, loss of such trademarks and/or expiry or termination of the trademarks license agreements with Sarovar or Royal Orchid, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Successful infringement claims against us could result in significant monetary liability. Our defense 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 stub period ended September 30, 2024 and Fiscals 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.

**14. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013.**

Our company has missed on compliance with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. Although, our Company endeavours to comply with all compliance/ reporting requirements, there may have been instances of delays/non-discourses/erroneous disclosures and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with RoC. A few of these instances are listed below-

| Form | Discrepancy | Rectification |
|---|---|---|
| PAS-3 | Inadvertently selected "consideration other than cash" - conversion of loan for rights issue made in 2021 | The non-compliance being not material, no rectification steps were required |
| DPT-3 | Certain forms are not filed | - |
| ADT-1 | Inaccuracy in the date of appointment of auditor in the form filed in 2024 | The non-compliance being not material, no rectification steps were required |
| E-CODS | Filing of certain forms with delay viz, annual accounts and annual returns for the financial years 2012 - 2013 to 2017- 2018 and form for appointment of auditor. under the Condonation of Delay Scheme, 2018 (CODS, 2018) | - |

There are few discrepancies noticed in some of our corporate records relating to adhering with the provisions of SS-1 and SS-2 of the Companies Act, 2013, however upon identifying such non-compliance, the company has rectified and started complying with the provisions of SS-1 and SS-2 of Companies Act, 2013. Apart from the aforesaid non-compliances, there have been certain procedural lapses in complying with the provisions of applicable laws. For instance, our Company has regularized the appointment of Ms. Deepthi Shiva as director with a delay of one year, her tenure was effective up to the date of annual general meeting held in the year 2018-19.

While as on the date of this Red Herring Prospectus, no legal proceedings or regulatory action has been initiated against our Company in relation to the above mentioned discrepancies, we cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect.

With the expansion of our operations there can be no assurance that such delays or non-compliances will not happen in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such non-compliances, in a timely manner or at all.

Any penalty or action taken by any regulatory authority in future for non- compliance with provisions of corporate and other law could impact financial position of the company to that extent.

**15. Our Company has incurred losses in the past.**

Our Company has incurred losses in the past, details of which are set out below for the periods/years indicated:

**(₹ In Lakhs)**

| Particulars | For the stub period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| **Profit/(Loss) before tax** | 800.09 | 552.20 | 190.03 | (164.07) |

*Note: The above financial information has been derived from the restated consolidated financial statements of Our Company for the periods/years indicated*

In the event our Company, continue to incur losses, our consolidated results of operations, cash flows and financial condition will continue to be adversely affected. For further details, refer section titled "*Management's Discussion and Analysis of our Financial Condition and Results of Operations*" on page 268 of this Red Herring Prospectus.

**16. Our Company have availed unsecured borrowings, certain of which may be recalled by the lender at any time, which may have an adverse impact on our cash flows, business and financial condition.**

Our Company has been availing unsecured loans from time to time. The total outstanding unsecured loan as on February 28, 2025 is amounting to ₹ 100 Lakhs. As per the terms of the said unsecured loan, it is repayable at the end of six months from the date of availing the said loan which may be mutually extended to a period of twelve months. Although

there are no terms and conditions prescribed for prepayment of unsecured loan, If the said funds are demanded for repayment after expiry of 6 months period from the effective date or extended period as may be agreed between parties before the end of 6th month and our Company is not in a position to arrange for the interim funds for meeting its working capital, such working capital funding may be temporarily impacted, which may have an adverse effect on our business, results of operations, financial condition. While we have not faced any such instances where unsecured borrowings were recalled by lenders in the Six-months period ended September 30, 2024, the Fiscal 2024, 2023, and 2022, there is no assurance that this would not occur in the future.

We intend to utilize a substantial portion of the Net Proceeds towards the repayment and/ or prepayment of a portion of the outstanding borrowings availed by us, including certain of the unsecured borrowings availed by our Company. For further information, refer sections titled "*Financial Indebtedness*" on page 289 of this Red Herring Prospectus and "*Objects of the Offer – Details of the Objects – Repayment/ prepayment/ redemption, in full or in part, of certain outstanding borrowings availed by our Company*." on page 114 of this Red Herring Prospectus and "*Risk Factors - A substantial portion of the Net Proceeds will be utilized for the repayment, prepayment and/or redemption of certain outstanding borrowings availed of by our Company. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval. Further, our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on internal management estimates based on current market conditions*" on page 38 of this Red Herring Prospectus.

**17. India's mid-scale hotel market is highly competitive and our inability to compete effectively may adversely affect our business, results of operations, cash flows and financial condition.**

According to the KEN Research, India's mid-scale hotel market is highly competitive, with 40-45 hotel chains operating across the country. Within this broad landscape, 20-25 domestic chains stand out by maintaining a strong presence in both metros and expanding into Tier II & III cities. These chains are leveraging geographic diversification to tap into high-growth regions beyond the major urban centers. A more focused segment of 12-15 chains targets budget-conscious travelers, offering rooms with below-industry-average ADR (Average Daily Rate). These hotels prioritize affordability, catering to the needs of cost-sensitive travelers looking for value-driven services. This rapid expansion, unmatched by competitors, highlights its aggressive strategy to capture increasing demand in both metro and non-metro areas (Source: KEN Research). We compete with large multinational and Indian hotel companies, in each of the regions/locations 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 stub period ended September 30, 2024 and Fiscals 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 stub period ended September 30, 2024 and Fiscals 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.

**18. 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 ARRs;
- 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 behavior towards dining out and greater usage of food delivery services;
- 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; 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 operation

**19. Our inability to manage our growth may disrupt our business and reduce our profitability.**

From Fiscal 2022 to Fiscal 2024, our total revenue from operations has grown at a CAGR of 127.66%, our hotel keys have grown at a CAGR of 66.30%. As part of our growth strategy to meet customer needs, we are committed to diversify our product offerings expand our geographic footprint, improve operational efficiencies of our hotel portfolio's and optimise capital allocations through an asset light business model. This will in turn result in substantial demands on our management, operational, and financial resources and our growth will require us to continuously invest in our operations and improve our operational, financial and internal controls, employee costs, and administrative infrastructure. An inability to manage our growth, may disrupt our business and reduce our profitability.

**20. Our Promoters, Mr. Ramesh Siva and Mrs. Vidya Ramesh have been disqualified to act as directors in the past by the RoC.**

Our Promoters and Directors, namely Ramesh Siva and Vidya Ramesh were disqualified from directorship from January 11, 2016 to October 31, 2021 by Registrar of Companies, Chennai in relation to their directorship in the Company which did not file financial statements or annual returns for continuous period of three (3) financial years. However, consequently upon the Company's compliance with all requisite annual filings of accounts and annual returns under the E-CODS scheme introduced by the MCA, disqualification from directorship for our Promoters has also ended on October 31, 2021. Currently, their DIN is valid and active as seen on the MCA portal.

While Ramesh Siva and Vidya Ramesh are not presently disqualified to be directors, there is no assurance that statutory or regulatory actions or legal proceeding will not be initiated against any of them for any such future non-compliance. In future, in case of any actual or alleged non-compliance with regulatory requirements, our Promoters namely, Ramesh Siva and Vidya Ramesh could be subject to administrative or judicial proceedings that may result in substantial penalties and/ or diversion of management's attention which could negatively affect our reputation and may have a material adverse effect on our business operations.

**21. Some of our Directors were director of companies which has been struck off from the register of companies maintained by the RoC.**

Some of our Directors were director of the following companies which have been struck off from the register of companies maintained by the relevant RoC pursuant to Section 248(1) of the Companies Act, 2013:

| Sr. No | Name of Director & DIN | Name of the Strike-off Companies | Reason for strike off | Type of strike off |
|---|---|---|---|---|
| 1) | Ramesh Siva DIN: 02449456 | Tantraa Inn Private Limited | The company- was inoperative since the date of its incorporation | Voluntary Strike off |
| 2) | Ramesh Siva DIN: 02449456 | Bon-Jour Hospitality Services Private Limited | The company was inoperative since the date of its incorporation | Voluntary Strike off |

| | | | | |
|---|---|---|---|---|
| 3) | V Swaminathan DIN: 00238629 | Fiduciary Advisory Services Private Limited | The company was not carrying on any business or operation for a period of two immediately preceding financial years and has not made application within such period for obtaining the status of a dormant company under section 455 of the Companies Act, 2013 | Mandatory Strike off by ROC |

In the event of any action being taken against these companies or the directors of these companies, our Director(s) may be held liable under the relevant provisions of the applicable law. Although, no notice has been received by our Director(s) for the above, but there cannot be any assurance that the regulatory authority will not take any penal action against those companies or our Director. In case any such action is taken it may have an adverse effect on our Director and may affect the reputation of our Company.

**22. 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 hotel portfolio to new geographies across India, with a focus on geographies which have potential to attract significant traffic from business and leisure travellers including tourist destinations which will cater to the domestic leisure traveller. For more details, refer section titled "*Our Business – Our Growth Strategies*" on page 162 of this Red Herring Prospectus. 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.

**23. 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 Food and Beverages (F&B) services, including several 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:

**(₹ in Lakhs)**

| Particulars | For the stub period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| F&B Revenue* | 208.88 | 104.32 | 72.57 | 12.26 |

*Note: The above financial information has been derived from the Restated Consolidated Financial Statements of our Company for the periods/years indicated*

Further, we maintain an inventory of dry groceries, which are subject to expiry and may also be subject to contamination or deterioration. 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 have not had any complaints with our F&B offering for the stub period ended September 30, 2024 and Fiscal 2024, 2023 and 2022. 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.

**24. We have a large workforce deployed across our hotels and may be exposed to service-related claims and losses or employee disruptions and work stoppages that could have an adverse effect on our business and reputation. Our Company has also witnessed delays in payment of statutory dues linked to our employees in the past.**

We have a large workforce deployed across our hotels, for details relating to human resource, kindly refer section titled *"Our Business – Human Resource"* on page 162. The risks associated with the utilization of a large workforce include possible claims relating to:

• actions, inactions, errors or malicious acts by our personnel, including matters for which we may have to indemnify our guests;
• failure of our personnel to adequately perform their duties, including for rendering deficient services;
• violation by our personnel of security, privacy, health and safety regulations and procedures;

• any failure by us to adequately verify personnel backgrounds and qualifications;
• injury or damages to any guest's person or property due to negligence of our personnel; and
• criminal acts, torts or other negligent acts by our personnel.

These claims may give rise to litigation and claims for damages, which could be costly and time consuming. Such labour claims may result in negative publicity and adversely impact our reputation. In addition, we may also be affected by the acts of third parties, including subcontractors and service providers. While we have not faced any such instances of labour claims which led to a material adverse effect on our business, operations or reputation in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, any such instances in the future or any losses that we incur in this regard may have an adverse effect on our business and reputation.

We are required to pay various statutory dues in respect of our employees, including employee provident fund contributions, ESIC, tax deducted at source and other statutory deductions, in terms of applicable law. The table below sets out details of No. of Employees covered under provident fund/ESIC by our Company for the period indicated along with the number of employees employed with our Company as at the end of such period/year:

| **Particulars** | **As at six-month period ended September 30, 2024** |
|---|---|
| No. of Employees* | 538 |
| No. of Employees covered under Provident Fund | 54 |
| No. of Employees covered under ESIC | 63 |

**We had a total of 538 employees as on September 30, 2024 (which includes employees of GSHH and GCH-1), out of which 430 were employees of our Company and 108 were employees of GSHH and GCH-1.*

We have faced instances of delays in payments of certain of the above statutory dues.

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

During the stub period ended September 30, 2024 and last three Fiscal Years, we had instances of delays in payment of certain statutory dues, including with respect to payment of GST, tax deducted at source, contributions towards employee provident fund, and property tax. The table below provides details of statutory dues in relation to which there have been delays in the years indicated:

| **Sr.no** | **Nature of statutory Dues** | **For Stub period ended September 30, 2024** | | **Fiscal** | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **2024** | | **2023** | | **2022** | |
| | | **Amount for which payment was delayed (₹ in Lakhs)** | **Range of Number of Days Delay** | **Amount for which payment was delayed (₹ in Lakhs)** | **Range of Number of Days Delay** | **Amount for which payment was delayed (₹ in Lakhs)** | **Range of Number of Days Delay** | **Amount for which payment was delayed (₹ in Lakhs)** | **Range of Number of Days Delay** |
| 1 | **Provident Fund** | 11.89 | 1-21 | 10.18 | 1-46 | 2.04 | 3-46 | 0.96 | 2-33 |
| 2 | **Provident Fund*** | 0.94 | 5-66 | 0.17 | 5-36 | - | - | - | - |
| 3 | **Provident Fund*** | 6.17 | 5-39 | 0.10 | 180-365 | - | - | - | - |
| 4 | **ESIC** | 0.05 | 15-138 | - | - | 0.06 | 13-74 | # | 18 |
| 5 | **TDS** | 12.11 | 180-360 | 43.75 | 3-22 | 8.44 | 1-365 | 3.81 | 3-365 |
| 6 | **TDS*** | 0.05 | 8 | 14.79 | 1-372 | - | - | - | - |
| 7 | **TDS*** | 2.39 | 6 | 26.62 | 180-365 | - | - | - | - |
| 8 | **GST** | 18.12 | 1-4 | 15.30 | 1 | - | - | - | - |
| 9 | **GST*** | 3.98 | 2 | 9.79 | 1 | 0.28 | 2 | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10 | **GST*** | 1.81 | 1 | 0.84 | 1 | - | - | - | - |
| | **Total** | **57.51** | | **121.54** | | **10.82** | | **4.77** | |

**It relates to delays in statutory dues by JV Partner Entities*
*# Rounding off less than thousand*

As on date of the Red Herring Prospectus, our total outstanding amount of statutory dues (disputed and undisputed) was ₹ 19.06 lakhs. Set out below are details of our statutory dues (disputed and undisputed) which have been outstanding for more than six months as on date of the Red Herring Prospectus:

| **Statutory Dues** | **Name of authority** | **Amount outstanding (₹ in lakhs)** | **Period to which the amount relates** |
|---|---|---|---|
| ***Undisputed*** | | | |
| TDS | Income Tax | # | Fiscal 2013 |
| TDS | Income Tax | 1.09 | Fiscal 2014 |
| TDS | Income Tax | 1.45 | Fiscal 2015 |
| TDS | Income Tax | 0.59 | Fiscal 2016 |
| TDS | Income Tax | 0.19 | Fiscal 2017 |
| TDS | Income Tax | 1.39 | Fiscal 2018 |
| TDS | Income Tax | 1.12 | Fiscal 2019 |
| TDS | Income Tax | 0.50 | Fiscal 2020 |
| TDS | Income Tax | 0.23 | Fiscal 2021 |
| TDS | Income Tax | 0.04 | Fiscal 2022 |
| TDS | Income Tax | 0.40 | Fiscal 2023 |
| TDS | Income Tax | 0.02 | Fiscal 2023 |
| TDS | Income Tax | 0.06 | Fiscal 2023 |
| TDS | Income Tax | 0.54 | Fiscal 2024 |
| TDS | Income Tax | 0.09 | Fiscal 2024 |
| TDS | Income Tax | 0.59 | Fiscal 2025 |
| TDS | Income Tax | # | Fiscal 2025 |
| TDS | Income Tax | # | Fiscal 2025 |
| GST | GST | 8.12 | Fiscal 2020 |
| **Total** | | **16.42** | |
| ***Disputed*** | | | |
| GST | GST | 2.64 | Fiscal 2019 |
| **Total statutory Dues (disputed and undisputed)** | | **19.06** | |

*# Rounding off less than thousand*

We are also subject to certain outstanding litigation alleging default in payment towards statutory dues. For further details, refer section titled "*Outstanding Litigation and Material Developments – I. Litigation involving our Company – A. Litigation against our Company*" on page 300 of this Red Herring Prospectus. There can be no assurance that these legal proceedings will be settled in our favor. Further, any further default/ delay that may arise in the future could lead to financial penalties from the relevant government authorities which in turn may have a material adverse impact on our business, financial condition and cash flows.

**26. Our operations are dependent on our ability to attract and retain qualified personnel which are in high demand in India, and any inability to retain qualified personnel could adversely affect our business, results of operations, cash flows and financial condition.**

Our operations are dependent on our ability to attract and retain qualified personnel with relevant experience in the hospitality industry.

According to the Ken Research, most branded hotels in India today are severely underpowered. The current shortfall in the branded hotels space is 80,000-100,000 people. These hotels require 1.2-1.5 million people every year and this requirement is growing at a CAGR of 5.5-5.6%. This shortage hampers operational efficiency, impacts service quality, and constrains growth potential, posing a critical challenge for maintaining competitive standards and meeting increasing market demands.

While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Set out below are details of our employee benefit expenses for the periods/years indicated.

| Particulars | Fiscal | | | |
|---|---|---|---|---|
| | For the stub period ended September 30, 2024 | 2024 | 2023 | 2022 |
| Employee benefits expense (₹ in Lakhs) | 608.81 | 547.85 | 268.30 | 112.59 |
| Employee benefits expense as a % of total revenue from operations (%) | 19.12 | 17.54 | 15.97 | 18.68 |
| Employee benefits expense as a % of total expenses (%) | 25.51 | 21.06 | 17.71 | 14.68 |

**27. Existing or planned amenities and transportation infrastructure at or near our other hotels could be closed, relocated, terminated, delayed or not completed at all. Disruptions of basic infrastructure such as electricity and water supply could adversely affect our operations**

We require a continuous supply of basic amenities such as electricity and water, and any disruption in the supply thereof could affect the operations of our hotels and the services to our guests. We currently source our water requirements from governmental water supply undertakings and water tankers and depend on state electricity boards and private suppliers for our energy requirements. Further, we rely on air-conditioning systems to maintain cooling standards, operations and services to our guests and any interruption in the functioning of such air conditioning systems could cause serious reputation and operational risks at our hotels. Although we have diesel generators and back-up generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient back-up during power failures. While we have not faced any such disruption which led to a material adverse effect on our business and operations in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, any disruption in the future could adversely affect our business operations. Further, any failure on our part to obtain alternate sources of electricity or water, or address mechanical, electrical and plumbing failure, in a timely manner, and at an acceptable cost in the future, may have an adverse effect on our business, cash flows, results of operations and financial condition.
The location of our hotels and their accessibility through transport services and related infrastructure are of significant relevance to us. We cannot assure you that the transportation infrastructure and services near, or anticipated to be near, our hotels will not be closed, relocated, terminated, delayed or remain incomplete. While we have not faced such instances in the stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, if the accessibility of any of our hotels is adversely affected in the future, it could negatively affect their attractiveness and marketability which may, in turn, may impact our business, cash flows, results of operations and financial condition.

**28. 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, refer section titled "*Risk Factors – The COVID-19 pandemic affected our business and operations and, or 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 38 of this Red Herring Prospectus. 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 stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, any such events in the future could affect our reputation and cause a loss of consumer confidence in our business

**29. We depend on the skills and experience of our Promoters, Key Managerial Personnel, Senior Management and employees with technical expertise, and any inability to retain our Key Managerial Personnel and Senior Management could adversely affect our business, results of operations, cash flows and financial condition.**

We benefit from the strategic guidance of our Promoters, Mr. Ramesh Siva, who is also our Chairman and Managing Director and Mrs. Vidya Ramesh, who is also our Whole Time Director. For further information, refer section titled "*Our Management – Biographies of Directors*" on page 205 of this Red Herring Prospectus. If his/her involvement in our business reduces in the future, we may be unable to implement our plans as anticipated or maintain administrative control as we currently do, which in turn could adversely affect our business, results of operations, cash flows, financial condition and prospects. As our Promoters are presently engaged in entities that are engaged in businesses similar to ours, any increased focus on such other entities may divert his/her attention from our business. For further information, refer section titled "*Our Promoters and Promoter Group – Interests of our Promoters*" on page 226 of this Red Herring Prospectus. They are further supported by an experienced management team with demonstrated execution capabilities.

Our performance is dependent on the efforts and abilities of our Key Managerial Personnel and Senior Management, including, Mr. Mithun Jayaraman, Chief Financial Officer, Ms. Aastha Kochar, Company Secretary, Mr. Sunil Kumar Mathur, Chief Operating Officer, among others. For further information, refer section titled *"Our Management – Key Managerial Personnel and Senior Management"* on page 205 of this Red Herring Prospectus. We believe that the inputs and experience of our Key Managerial Personnel and Senior Management are valuable for the development of our business and operations and the strategic directions taken by our Company.

Any inability on our part to retain our Key Managerial Personnel and Senior Management could adversely affect our business, results of operations, cash flows and financial condition

**30. 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, refer section titled "*Our Business - Our Growth Strategies*" on page 162 of this Red Herring Prospectus. 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.

**31. 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, 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:

| Particulars* | For the stub period September 30, 2024 | | Fiscal | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 2024 | | 2023 | | 2022 | |
| | Amount (in ₹ Lakhs) | % of total expenses | Amount (in ₹ Lakhs) | % of total expenses | Amount (in ₹ Lakhs) | % of total expense | Amount (in ₹ Lakhs) | % of total expenses |
| Employee benefits expense | 608.81 | 26% | 547.85 | 21% | 268.30 | 18% | 112.59 | 15% |
| Rent | 523.67 | 22% | 561.80 | 22% | 248.50 | 16% | 37.50 | 5% |
| Power and fuel | 157.94 | 7% | 187.46 | 7% | 120.24 | 8% | 60.78 | 8% |
| Finance Costs^ | 212.51 | 9% | 352.63 | 13% | 352.61 | 23% | 304.72 | 40% |
| **Total** | **1,502.93** | **63%** | **1,649.74** | **63%** | **989.65** | **65%** | **515.59** | **67%** |

*The above costs have been classified as fixed expenses based on their nature and may include semi-variable or variable components of expenses.
^ Finance costs consist of interest expenses on borrowings from banks/financial institutions including NBFCs

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 stub period ended September 30, 2024 and Fiscals 2024, 2023, and 2022, 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

**32. We are subject to a number of conditions and restrictions under our financing agreements. Any breach of the terms under our financing arrangements or our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business and financial condition.**

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, which could adversely affect our business and financial condition. For example, some of our financing agreements require our Company to obtain prior written consent from, or intimate our lenders for, among other things:
• undertaking a change in ownership/ constitution/ shareholding pattern/ control/ management control of the Company, as applicable;
• effecting reduction/ change in shareholding of the Promoters in the Company;
• undertaking a significant change in the composition of the Board;
• effecting a change in directorship of the Promoters resulting in change in management control of the Promoters in the Company, including pledge of shares by Promoters which may potentially change management control;
• formulation or entering into any scheme of amalgamation, reconstruction, demerger, merger, consolidation or compromise;

• incurring any material capital expenditure;
• undertaking a change in name or trade name of the Company; and
• making any amendments to the Memorandum of Association and Articles of Association.

We have obtained necessary consents from our lenders for the Offer and related actions.

As of February 28, 2025, our total borrowings amounted to ₹ 4,547.03 Lakhs. Out of the total borrowings, as of the same date, our secured borrowings amounted to ₹ 4,447.03 Lakhs (i.e. 97.80% of total borrowings). Further, our Company has also provided security in the nature of hypothecation/ mortgage over our properties. For details on our outstanding indebtedness, refer section titled "*Financial Indebtedness*" beginning on page 289 of this Red Herring Prospectus. Our ability to meet our obligations under our debt financing arrangements, which comprise term loans agreements from time to time, and repayment of our outstanding borrowings will depend primarily on the cash generated by our business.

While we are currently in compliance with the financial covenants specified in our financing arrangements, we cannot assure you that we will continue to comply with all covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position, and it may be difficult to market our financial products. Any of these circumstances or other consequences could adversely affect our business.

**33. A substantial portion of the Net Proceeds will be utilized for the repayment, prepayment and/or redemption of certain outstanding borrowings availed of by our Company Further, our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on internal management estimates based on current market conditions.**

As of February 28, 2025, we have total outstanding borrowings of ₹ 4,547.03 Lakhs. We intend to utilize ₹ 3408.08 Lakhs of the Net Proceeds towards the repayment, prepayment and/ or redemption of a portion of the outstanding borrowings availed by our Company i.e. 74.95% of total outstanding borrowings proposed to be repaid from the Net Proceeds. For further details, refer "*Objects of the Offer – Details of the Objects*" on page 114 of this Red Herring Prospectus.

The funding requirements and deployment of the Net Proceeds mentioned as a part of the objects of the Offer towards repayment / prepayment/ redemption of all or certain portion of outstanding borrowing are based on internal management estimates and have not been appraised by any bank or financial institution or other independent agency. The proposed repayment or prepayment of the loans is subject to various factors including: (i) cost of the borrowing to our Company/JV Partner Entities including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay or repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, as applicable (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of changes in our competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the SEBI ICDR Regulations and Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI and in accordance with the Companies Act and the SEBI ICDR Regulations. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Red Herring Prospectus, 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 re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, results of operations, cash flows and financial condition.

**34. 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. Currently, we have not obtained the necessary permissions from a collective licensing group to play these recordings. This 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 for the music we use, there is no absolute assurance that we will be shielded from potential claims. 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.

**35. Our Registered Office is located on premises taken on a lease basis. There can be no assurance that this or leased agreement will be renewed upon termination, or that we will be able to obtain other premises on leave and license or lease basis on same or similar commercial terms or at all.**

Our Registered Office, are located on leased premises. The lease term for our Registered Office is valid for Seventy-Eight months and thereafter renewable for subsequent terms. There can be no assurance that this lease agreement will be renewed upon termination, or that we will be able to obtain other premises on leave and license/lease basis on same or similar commercial terms or at all. While we renew this lease agreement periodically in the ordinary course of business, in the event that this existing lease is terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. Our inability to renew the lease agreement on commercially favourable terms may lead to disruptions to our business and have a material adverse impact on our financial condition and results of operations.

**36. 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.

**37. 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 seek to improve our operational efficiencies by implementing holistic asset management plans for our hotels. These include rationalizing sourcing costs, effective workforce management using technology to enhance productivity and drive occupancy and efficient energy management. For instance, on technology front, the company intends to undertake the following projects (a) Back-end process being integrated on cloud based SAAS platform for accounting, procurement, HR etc (b) Planning for a full-blown cloud based SAAS HMS to enable revenue management, reservation management, loyalty management. We have implemented some information technology ("IT") to cover key areas of our services. Our ability to provide consistent and high-quality services is dependent on our IT system for online distribution, central reservation, customer relationship management system and financial accounting. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. Our operations are vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby affecting our ability to deliver our services to our clients, affecting our reputation and revenues.

Furthermore, our systems and technologies, including our website and database, could contain undetected errors or 'bugs' that could adversely affect the performance or could become outdated. We may not be able to replace or introduce upgraded system quickly or within the budgeted costs for such systems/ upgrades. If we experience system failures, our quality of service, customer satisfaction and operational efficiency could be severely harmed, which could also affect our reputation.

**38. Our inability to collect receivables in time or at all and default in payment from our corporate 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 corporate customers for services provided and settlement of transaction with franchisee partners and online portals. We provide credit periods to certain of our corporate or private sector customers. In the hospitality sector, we extend credit to our customers based on agreements entered into with them, which may lead to high receivables.

Set out below are details of our trade receivables including unbilled receivables and receivables less than 6 months as of and for the Fiscals indicated:

[₹ In Lakhs]

| Particulars | For the stub period ended September 30, 2024 | Fiscal | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Trade receivables (including unbilled revenue) | 683.51 | 315.27 | 124.75 | 253.11 |
| -Undisputed Trade receivables – considered good - Unbilled | 94.11 | 22.69 | 23.25 | 18.81 |
| - Less Than 6 months | 549.12 | 292.58 | 101.50 | 234.30 |

Macroeconomic conditions could result in financial difficulties, including insolvency or bankruptcy, for our customers, 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.

**39. We have not entered into any arrangements for alternate source of raising the funds required for our "Objects of the Offer". Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not entered into any definitive arrangement for alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds can adversely affect our growth plan and profitability. The delay/shortfall in raising these Gross Proceeds could result in delay in implementing the project and may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

**40. An inability to maintain adequate insurance coverage in connection with our business may adversely affect our operations and profitability.**

We have obtained a number of insurance policies in connection with our operations and Hotels including property insurance, furniture and fixture insurance, fire insurance and loss of profit. While we are of the opinion that the insurance coverage which our Company maintains for its business would be reasonably adequate to cover the normal risks associated with the operations of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our Company's insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time.

We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Further, we do not have a key man's insurance policy covering risks for our key managerial employees. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

**41. Certain sections of this Red Herring Prospectus disclose information from the KEN Research which has been prepared exclusively for the Offer and commissioned in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**

We have commissioned and availed the services of an independent third party research agency KEN Research to prepare the report titled "Industry Report - India Mid-Scale Hotels Market" dated September 25, 2024 (the "KEN Research"), for purposes of inclusion of such information in this Red Herring Prospectus to understand the industry in which we operate. A copy of the KEN Research is available on the website of our Company at https://grandcontinenthotels.com/. The KEN Research has been exclusively commissioned and paid for by our Company for the purpose of confirming the understanding on the Indian hospitality business and the future outlook of the industry in India. Certain information in "*Our Business" "Our Industry," and "Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 162, 143 and 268, respectively, have been derived from the KEN Research. Further, the KEN Research is prepared based on information as of specific dates, which may no longer be current or reflect current trends. The KEN Research may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. The KEN Research 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 disinvest in our Company and shall not be construed as specialist advice or investment advice. The KEN Research 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 Red Herring Prospectus. In addition, we have not independently verified such third-party information. Prospective investors are advised not to unduly rely on the KEN Research or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

This Red Herring Prospectus includes information derived from third party industry sources and from the KEN Research, prepared by KEN India, pursuant to an engagement with our Company. We commissioned the KEN Research for the purpose of confirming our understanding on the Indian hospitality business, together with the future outlook of the hospitality industry in India. Neither we, nor the Promoters, nor Directors, nor any of the BRLM, nor any other person connected with the Offer has independently verified the information in these reports and other industry sources quoted in this Red Herring Prospectus, and while we believe them to be true, we cannot guarantee the accuracy, adequacy or completeness of any such information. Moreover, these industry sources contain certain industry and market data, based on certain assumptions. Accordingly, investors should read the industry-related disclosure in this Prospectus in this context.

Further, the reports use certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies in the hospitality or commercial and retail sector, and methodologies and assumptions vary widely

among different industry sources. Such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Further, these reports or any other industry data or sources are not recommendations to invest in our Company. Prospective investors are advised not to place undue reliance on the industry reports or extracts thereof as included in this Prospectus, when making their investment decisions. Also, refer sections titled *"Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" and "Our Industry*" on pages 25 and 143, respectively.

**42. We have in past entered into related party transactions and we may continue to do so in the future that may involve conflicts of interest**

As of March 31, 2024, we have entered into several related party transactions with our Promoters, Directors, etc. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer Note 33 – in the section titled— "*Restated Consolidated Financial Information*" at page 234 of this Red Herring Prospectus.While we believe that all our related party transactions have been conducted on an arm's length basis, and we confirm that the related party transactions entered into by the Company are in compliance with the relevant provisions of Companies Act and other applicable laws, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**43. 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 stub period ended September 30, 2024 and Fiscals 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.

**44. There is outstanding litigation pending against our Company, the promoter/ promoter group/ directors of the Company/ group companies by any regulatory authority in India or overseas which, if determined adversely, could affect our business, results of operations, cash flows and financial condition**

Our Company is currently involved in legal proceedings that are pending at different levels of adjudication before various courts. In the event of any adverse rulings or the levying of penalties, we may need to make payments or provisions for future payments, which could potentially increase our expenses and current or contingent liabilities. Additionally, there are outstanding litigation proceedings involving our company, our promoter, our directors and our group companies.
A summary of these legal and other proceedings is given as follows:

| **Name** | **Criminal Proceedings** | **Civil or Other Material pending Litigation** | **Statutory or Regulatory Actions** | **Disciplinary actions by the SEBI or Stock Exchange against the Promoter** | **Tax claims** | **Financial Implications to the Extent Quantifiable (Amount in ₹ Lakhs)^*** |
|---|---|---|---|---|---|---|
| **1. Company** | | | | | | |
| Against the Company | Nil | Nil | Nil | Nil | 15 | 18.90 |
| By the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. **JV Partner Entities** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Against JV Partner Entities | Nil | Nil | Nil | Nil | 5 | 0.17 |
| By JV Partner Entities | Nil | Nil | Nil | Nil | Nil | Nil |
| **3. Directors/Promoters** | | | | | | |
| Against the directors/ promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| By the directors/ promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| **4. Group Companies** | | | | | | |
| Against the group Companies | Nil | Nil | Nil | Nil | 11 | 5.20 |
| By the group Companies | Nil | Nil | Nil | Nil | Nil | Nil |

*^to the extent quantifiable*
**Amount includes interest and penalty.*

As on the date of this Red Herring Prospectus, there are no outstanding litigation proceedings against our Group Companies, the outcome of which may have a material impact on our Company. Further, the above-mentioned litigations in relation to the Company are not so major that the survival of the Company is dependent on these cases.

The amount mentioned above may be subject to additional interest, rates or penalties being levied by the concerned authorities for delay in making payment or otherwise. For further details relating to outstanding litigations, refer chapter titled "*Outstanding Litigation and Material Development*" beginning on page 300 of this Red Herring Prospectus.

**45. There can be no assurance that the Objects of the Offer will be achieved within the time frame anticipated or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the plan for deployment of the Net Proceeds has not been appraised by any bank or financial institution.**

Our Company intends to use approximately ₹ 5,087.32 lakhs of the Net Proceeds excluding General Corporate Purpose, for Expansion of our Hotel properties in India, Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by our Company. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads, as disclosed in the section titled "*Objects of the Offer*" on page 114 of this Red Herring Prospectus. Further, the plans for deployment of the Net Proceeds are in accordance with our management's estimates and have not been appraised by any bank or any financial institution. Although we have obtained Cost Assessment Reports which highlights the estimated cost of the project that will be utilised from the Net Proceeds, our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations and consequently its requirements may change.

In the event there is a shortfall in the Gross Proceeds raised from this Offer, we may be unable to commission hotel properties mentioned in the section titled "*Objects of the Offer*" on page 114 of this Red Herring Prospectus. In case of any shortfall of the proceeds raised from this Offer, there can be no assurance that we will be able to raise the funds through other sources to complete the same. In case of shortfall in the proceeds of this Offer which are to be utilized for meeting the objects of the Offer, the shortfall will be met by such means as are available to our Company at such future time and at the discretion of the management, including by way of cash available with us or by any other means permissible under law. We cannot assure that we will be able to arrange for adequate cash or will be able to procure further loans to meet the funding requirements. Any failure to meet the additional funding requirements will have a material adverse effect on the implementation of the stated object.

We may also be required to adhere to certain restrictive covenants as regards raising of finance for the facility from means other than those sanctioned under our present financing documents. Any failure or delay on our part to raise funds from the Offer or any shortfall in the Fresh Issue proceeds and subsequent inability of our Company to source alternate means of finance may delay the implementation of our object and could adversely affect our growth plans.

**46. Our Promoter & Promoter Group have extended personal guarantees and personal properties as collateral security with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.**

Our Promoters, have provided personal guarantees for the working capital and term loan facilities availed by the Company. Further, the properties charged with the bank for the working capital and term loan availed by the Company, are owned by Our Company. In the event any of these guarantees are revoked or if the personal property charged with the Bank is withdrawn, the Bank may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative securities in a timely manner or at all. If the guarantees are invoked or if the repayment of loan is accelerated or the Bank enforces any of the restrictive covenants or exercise their options under the relevant debt financing arrangement the ability of our Company to continue its business operations could be adversely affected, carrying our operations and use of assets may be hampered significantly and the Bank may demand the repayment of the entire outstanding amount and this in turn may also affect our further borrowing abilities. For further details please refer to the chapter titled "*Financial Indebtedness*" on page 289 of this Red Herring Prospectus.

**47. Our Promoters and Promoter Group will continue to exert voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.**

As on the date of this Red Herring Prospectus, our Promoters and Promoter Group held 75.02% of the pre-issued, subscribed, and paid-up equity share capital of our Company. Post listing, our Promoters and Promoter Group will continue to exercise influence over us through their shareholding after the Offer. The post-Offer shareholding of our Promoter and Promoter Group will be [●] %. In accordance with applicable laws and regulations, our Promoters will have the ability to exercise, directly or indirectly, an influence over our business.

**48. The average cost of acquisition of Equity Shares held by our Promoter could be significantly lower than the offer Price.**

Our Promoters' average cost of acquisition of Equity Shares in our Company is as follows:

| Name of the Promoter & Promoter Group | No. of Shares held | Average Cost of Acquisition per Share (In ₹)* |
|---|---|---|
| Mr. Ramesh Siva [#] | 94,50,000 | 2.81 |
| Mrs. Vidya Ramesh | 45,47,300 | 6.36 |

**Data as certified by Statutory Auditor, Bhuta Shah & Co LLP, Chartered Accountants by way of their certificate dated March 13, 2025.*

This average cost of acquisition may be lower than the offer price as may be decided by our Company in consultation with the Lead Manager.

**49. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will receive the net proceeds from the Offer for Sale.**

This Offer comprises an Offer for Sale of up to 3,28,800 Equity Shares aggregating up to ₹ [●] Lakhs. The proceeds from the Offer for Sale will be paid to Promoter Selling Shareholder (after deducting applicable Offer related expenses and relevant taxes thereon) and our Company will not receive any such proceeds. For further details, refer sections titled "*Objects of the Offer*" and "*Capital Structure*" beginning on pages 114 and 100, respectively.

**50. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer**

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchange, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchange or other securities markets could adversely affect the market value of the Equity Shares.

The Offer Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or

earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

**51. There is no guarantee that the Equity Shares issued pursuant to the Offer will be listed on the SME Platform of NSE Limited in a timely manner or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of NSE Limited due to delay in submission of required documents/ completion of formalities/compliance with required laws by the issuer. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**52. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders.
If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

**53. Our Company has not paid dividends on Equity Shares in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.**

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Since incorporation, our Company has not paid any dividend as the profits of our Company were invested in our Company for the purposes of incurring capital expenditure. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors.

**54. None of the directors of our Company have any prior experience of directorship of any listed entity. Inexperience of director(s) to act as directors in any other listed entity within India may impact the business operations and performance of the company**

Majority of our Directors do not have prior experience as directors of companies listed on recognized stock exchange. While our Directors have experience in the hospitality industry, directors of listed companies have a wide range of responsibilities, including, among others, ensuring compliance with continuing listing obligations, monitoring and overseeing management, operations, financial condition and trajectory of the company. We cannot assure you that our Directors will be able to adequately manage our Company after we become a listed company, due to their lack of prior experience as directors of companies listed on recognized stock exchange. Accordingly, we will get limited guidance from them and accordingly, may fail to maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under the applicable law.

**55. We have certain contingent liabilities and capital commitments disclosed in our financial statements and our financial condition could be adversely affected if any of these contingent liabilities or capital commitments materialize.**

The following is a summary table of our contingent liabilities and capital commitments as per AS – Provisions, Contingent Liabilities, as of the dates indicated:

[₹ in lakhs]

| Particulars | For the stub period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Estimated amount of unexecuted contracts on capital account not provided for | 112.92 | 83.56 | 4.47 | - |

| | | | | |
|---|---|---|---|---|
| Amount of liability outstanding for the year under Income Tax Act | 18.99 | 18.98 | 13.16 | 11.97 |
| Amount of liability outstanding for the year under GST Act | 10.13 | 10.13 | 10.13 | 10.13 |

Our contingent liabilities may become actual liabilities. We cannot assure you that we will not incur similar or increased levels of contingent liabilities or capital commitments in the future. If any of these contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition, cash flows and results of operation may be adversely affected.

**56. We have undertaken, and may continue to undertake, strategic acquisitions, joint ventures and investments, which may not perform in line with our expectations or may be prone to other contingencies.**

We have historically undertaken joint ventures to expand portfolio of our hotel properties and service offerings. As part of our growth strategy, we are focused on evaluating opportunities to grow through inorganic means, in particular through joint venture arrangement or acquisitions of existing hotel properties, which can be operated by us.

Our Company has entered into a joint venture (JV) arrangement structured as a partnership firm under the name M/s Grand Seven Hill Hotels (GSHH) through a partnership deed with Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy to operate one of our key properties namely Hotel Golden Tulip – Tirupati, located in Andhra Pradesh (Tirupati). Our Company has also entered into another JV arrangement structured as a partnership firm under the name 'M/s Grand Continent Hotels - 1'(GCH-1) through a partnership deed with LiftX and to operate one of our key property namely Hotel Regenta Inn - ORR Mahadevapura located in Karnataka, under the Golden Tulip/Tulip Inn brand. For further details, refer section titled "*History and Certain Corporate Matters – Joint Venture Agreements*" beginning on page 196 of this Red Herring Prospectus.

The success of joint ventures that we undertake depends, in part, on our ability to realize the anticipated growth opportunities, financial and operational, and synergies from these businesses, which require substantial management attention and efforts as well as additional expenditures. In the event that we are not able to pursue any opportunities on account of the terms and conditions stipulated in the joint venture agreement/ partnership deed, our business, financial condition and results of operations may be adversely affected.

**57. We could be adversely affected due to misconduct, errors or frauds 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, errors or frauds 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.

Our business is also exposed to the risk of theft, fraud, pilferage by employees, misappropriation of funds or inventory, and other similar misconduct which could result in losses at the hotels in our portfolio. We have not experienced any instances of employee theft, fraud, misappropriation of funds or other similar misconduct in the past three Financial Years and the six months period ended September 30, 2024 that materially affected our business and results of operations. However, an increase in the levels of misappropriation at the hotels in our portfolio may require us to deploy more security staff and increase surveillance, which would increase our operational costs and adversely affect our profitability. While we incur expenses on hiring security personnel and installing surveillance equipment at the hotels in our portfolio in order to mitigate the risk of theft, fraud, pilferage by employees, misappropriation of funds or inventory, and other similar incidents which result in misappropriation at the hotels in our portfolio, we cannot assure you that we will be successful in preventing all such incidents in the future, which may expose us to litigation and/or have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, while we maintain insurance coverage for burglary in our portfolio, such insurance may not be sufficient to cover losses on account of any significant thefts.

**58. We rely on independent contractors for renovation of our hotel 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 hotel 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 losses as a result of our independent contractor's failure to perform their obligations. However, we cannot assure you that the services rendered by any of our contractors will always be satisfactory or match our requirements for quality and complete the project work in timely manner.

**59. 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 the Stock Exchange.

**60. We have not yet placed orders in relation to the funding capital expenditure requirements towards hotel properties which is proposed to be financed from the Net Proceeds of the Offer. 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.**

We intend to use a part of the Net Proceeds from the Offer for funding capital expenditure requirements of five hotel premises aggregating to ₹ 1,679.24 Lakhs (100% of the capital expenditure that is proposed to be funded through Net Proceeds), for further details, refer section titled "*Objects of the Offer – Details of the Objects of the Offer – Expansion of our Hotel properties in India*" on page 114 of this Red Herring Prospectus. 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 Offer. 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 projects may face including cost overruns or delays. Problems that could adversely affect our plans include increased costs of materials or manpower, 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 hotel properties, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

**EXTERNAL RISKS**

**1. A substantial portion of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.**

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behaviour and spending for BPC products and lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**2. Any Penalty or demand raised by statutory authorities in future will affect financial position of the Company**

Our Company is engaged in the hospitality industry, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund (PF), Employee State Insurance (ESI) etc. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GSTR1/ GSTR3B due to operational reasons and accordingly paid late fees and penalties on the same. Any demand or penalty raised by the concerned GST/ Income Tax/ EPF/ESI/PF or any other statutory authority for such late filings may affect the financial position of the company. The Company has now implemented strict monitoring and improved processes to ensure timely filing of returns and timely statutory payments in the future.

**3. Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 ("Finance Act"), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchange 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. Further, GoI has announced the union budget for Fiscal 2025 and the Ministry of Finance has notified the Finance Act, 2024 ("Finance Act 2024"). There is no certainty on the impact that the Finance Act 2024 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act 2024 would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("Social Security Code"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "Labour Codes"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and

prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

**4. A downgrade in ratings of India, may affect the trading price of the Equity Shares.**

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external 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 future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

**5. Our ability to raise foreign debt may be constrained by Indian law.**

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition, cash flows and results of operations.

**6. 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, Russia 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.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

**7. If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.**

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third-party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**8. Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchange in order to enhance the integrity of the market and safeguard the interest of investors.**

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchange. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock

Exchange for ASM is based on objective criteria, which includes market based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchange, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

**9. Our business may be adversely affected by adverse application or interpretation of competition laws in India.**

The Competition Act, 2002, as amended ("Competition Act"), regulates and was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition ("AAEC") in the relevant market in India and mandates the Competition Commission of India (the "CCI") to separate such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC, is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services, including by way of allocation of geographical area, type of goods or services in the relevant market or directly or indirectly results in bid-rigging or collusive bidding, is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and may be punished.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an AAEC on competition in India. The Competition Act also includes provisions in relation to combinations which require any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, to be mandatorily notified to and pre-approved by the CCI. While certain agreements entered into by us could be within the purview of the Competition Act, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

**10. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and dividend received.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is 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 gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Pursuant to the Finance Act, 2020 and after March 31, 2020, dividends declared, distributed or paid by a domestic company would not be exempt in the hands of both resident and non-resident shareholders and are subject to tax deduction at source. Our 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 pursuant to any corporate action including dividends. Further, the Finance Act, 2019 introduced new provisions under the Indian Stamp Act, 1899, which provide 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 exchange 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.

We cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, cash flows and results of operations.

**11. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.**

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. 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 of the RBI 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.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT as consolidated in the FDI Policy with effect from October 15, 2020, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which share a 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. Any such approval(s) would be subject to the discretion of the regulatory authorities. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives.

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. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

We cannot assure you 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, refer section titled "*Restrictions on Foreign Ownership of Indian Securities*" on page 379 of this Red Herring Prospectus.

**12. The determination of the Price Band is based on various factors and assumptions, and the Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.**

The determination of the Price Band is based on various factors and assumptions, and has been determined by our Company in consultation with the BRLM. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the book building process prescribed under the SEBI ICDR Regulations. The Offer Price will be based on numerous factors, as described under section titled "*Basis for Offer Price*" on page 128 and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, there can be no assurance that investors will be able to resell their Equity Shares at or above the Offer Price.

**13. Any future issuance of our Equity Shares or convertible securities or other equity linked instruments by our Company may dilute prospective investors' shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

We may be required to finance our growth through future equity offerings. Any future equity that we issue, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares, including through the exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders including our Promoters, or the perception that such issuance or sales may occur, may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber their Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

**14. The current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.**

The current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective issue prices. For further information, refer section titled "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM*" on page 318 of this Red Herring Prospectus. The factors that could affect the market price of our Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or that sustained trading will take place in our Equity Shares, or provide any assurance regarding the price at which our Equity Shares will be traded after listing.

**15. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their bids after Bid/Issue Closing Date.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their bids at any time during the Bid/Issue Period and until the Bid/Issue Closing Date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of our Equity Shares on all Stock Exchange where such Equity Shares are proposed to be listed, including Allotment, within such period as may be prescribed under applicable law, adverse events affecting the investors' decision to invest in our Equity Shares may arise between the date of submission of the Bid and Allotment. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing.

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

Under the Companies Act, a company incorporated in India and having share capital must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the 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 that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make 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 your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional equity interests in us may be reduced.

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

Certain provisions in Indian law 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 your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the 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 our 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.

**18. Investors may have difficulty enforcing foreign judgments in India against us or our management**

Our Company is a company incorporated under the laws of India and most of our Directors, Key Managerial Personnel, members of Senior Management and officers are residents of India. A substantial portion of our assets are located in

India. As a result, it may be difficult for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

**19. The ability of investors to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Red Herring Prospectus.**

No actions have been taken to permit a public offering of our Equity Shares in any jurisdiction, other than India. As such, our Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, our Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. Refer section titled "*Other Regulatory and Statutory Disclosures – Disclaimer in Respect of Jurisdiction*" on page 318 of this Red Herring Prospectus. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of our Equity Shares made other than in compliance with the restrictions set forth herein.

**20. Investors will not be able to sell any Equity Shares they purchase in the Offer until we receive the appropriate listing and trading approvals.**

Our Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before our Equity Shares can be listed and trading of our Equity Shares may commence, including the crediting of the Investors' "demat" accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing of our Equity Shares will not be granted until after our Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorizing the issuing of our Equity Shares. There could be a failure or delay in listing of our Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise to commence trading in our Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**21. Rights of shareholders of companies under Indian law may be different compared to the laws of other jurisdictions.**

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company rather than as a shareholder of an entity in another jurisdiction.

**22. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Red Herring Prospectus.**

While facts and other statistics in the Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various web site data and KEN Research that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Our Industry*" beginning on page 143 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**23. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

## SECTION IV: INTRODUCTION

### THE OFFER

The following is the summary of the Offer:

| **PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS** | |
|---|---|
| **The Offer**[(1) (2)] | Upto 65,89,200 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| *consists of:* | |
| Fresh Issue | Upto 62,60,400 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| Offer for Sale[(3)] | Upto 3,28,800 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| *which includes:* | |
| Market Maker Reservation Portion | 3,30,000 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| Employee Reservation Portion[(6)] | Upto 12,000 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| | |
| Net Offer to the Public | Upto 62,47,200 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| *The Net Offer Comprises of:****** | |
| **A. QIB Portion [(4) (5)]** | Not more than 31,22,400 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| *of which:* | |
| i) Anchor Investor Portion | Upto 18,73,200 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | 12,49,200 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| *of which:* | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion). | Upto 63,600 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| (b) Balance of QIB Portion for all QIBs including Mutual Funds | 11,85,600 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| **B. Non-Institutional Portion** | Not less than 9,37,200 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| **C. Retail Portion** | Not less than 21,87,600 Equity Shares of face value ₹ 10/- each, aggregating up to ₹ [●] Lakhs. |
| **Pre and Post – Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer. | 1,86,59,003 Equity Shares of face value of ₹ 10/- each. |
| Equity Shares outstanding after the Offer. | 2,49,19,403 Equity Shares of face value ₹ 10/- each. |
| Use of Net Proceeds by our Company. | Please refer section titled "*Objects of the Offer*" on page 114 of this 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 Offer price. The face value of Equity Shares is ₹ 10/- each. The Floor Price is ₹ 107/- per Equity Share which is 10.70 times of the Face Value and the Cap Price is ₹ 113 per Equity Share which is 11.30 times of the Face Value.*

**Notes:**

1) *The Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Offer is being made by our Company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b) of SCRR wherein not less than 25% of the post – Offer paid up equity share capital of our Company are being offered to the public for subscription.*

2) *The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 06, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on November 08, 2024.*

3) *Our Board has taken on record the consent for the Offer for Sale of the Promoter Selling Shareholder pursuant to its resolution dated November 14, 2024. The Promoter Selling Shareholder have confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. The Promoter Selling Shareholder has authorized the inclusion of the Offered Shares in the Offer for Sale as follows-*

| Sr. No. | Name of the Promoter Selling Shareholder | Maximum aggregate number of Equity Shares being offered in the Offer for Sale | Date of Consent Letter |
|---|---|---|---|
| 1. | Mr. Ramesh Siva | 3,28,800 | November 11, 2024 |
| | **Total** | **3,28,800** | |

*For details of authorizations received for the Offer for Sale, refer section titled "Other Regulatory and Statutory Disclosures- Authority of the Offer" beginning on page 318 of this Red Herring Prospectus.*

4) *The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e. not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders.*

5) *Subject to valid Bids being received at or above the Offer 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 Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

6) *The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 2 lakhs, subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 5 lakhs. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 5 lakhs), shall be added to the Net Offer. For further details, refer section titled "Offer Procedure" and "Offer Structure" on pages 347 and 341, respectively.*

*Our Company may, in consultation with the Book Running Lead Manager, 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 Offer 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.*

*Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations.*

*The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the SEBI ICDR Regulations.*

*For further details, please refer section titled "Offer Procedure" beginning on page 347 of this Red Herring Prospectus.*

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from Restated Consolidated Financial Statements as at and for the six-month period ended September 30, 2024 and as at and for the Financial Year ended on March 31, 2024, 2023, and 2022. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act, 2013 and the SEBI ICDR Regulations.

The summary financial information presented below should be read in conjunction with the sections and notes mentioned therein titled *'Other Financial Information' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations'* beginning on page 267 and 268, respectively of this Red Herring Prospectus.

*[The remainder of this page has intentionally been left blank]*

**CONSOLIDATED RESTATED SUMMARY STATEMENT OF ASSET AND LIABILITIES**

***(₹ in Lakhs)***

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **(a) Shareholders' Funds** | | | | |
| i. Share capital | 1,865.90 | 399.03 | 101.00 | 101.00 |
| ii. Reserves and surplus | 2,235.56 | 2,600.30 | (42.27) | (264.21) |
| **Minority Interest** | 632.20 | 94.81 | 101.38 | - |
| **Total (a)** | **4,733.66** | **3,094.14** | **160.11** | **(163.21)** |
| | | | | |
| **(b) Non-current liabilities** | | | | |
| i. Long-term borrowings | 3,480.70 | 3,137.91 | 3,343.76 | 3,111.76 |
| ii. Deferred tax liabilities (net) | 201.90 | 214.23 | 83.45 | - |
| iii. Long term provisions | 19.42 | 18.06 | 4.65 | 2.96 |
| **Total (b)** | **3,702.02** | **3,370.20** | **3,431.86** | **3,114.72** |
| | | | | |
| **(c) Current Liabilities** | | | | |
| i. Short term borrowings | 541.53 | 358.35 | 362.82 | 360.57 |
| ii. Trade payables | | | | |
| - Total outstanding dues to Micro, Small and Medium Enterprises | 83.01 | 29.41 | - | - |
| - Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | 319.72 | 161.37 | 95.31 | 70.27 |
| iii. Other current liabilities | 272.77 | 361.18 | 172.28 | 52.91 |
| iv. Short term provisions | 140.92 | 16.78 | 3.72 | 1.32 |
| **Total (c)** | **1, 357.95** | **927.09** | **634.13** | **485.07** |
| **Total (a + b + c)** | **9,793.63** | **7,391.43** | **4,226.10** | **3,436.58** |
| | | | | |
| **ASSETS** | | | | |
| **(a) Non-current assets** | | | | |
| Property plant and equipment and Intangible assets | | | | |
| i. Property, Plant and Equipment | 4,534.92 | 3,459.27 | 3,077.64 | 2,750.08 |
| ii. Capital work-in-progress | 921.37 | 487.39 | 38.36 | - |
| iii. Intangible Assets | 4.20 | 0.37 | 4.81 | - |

| | | | | |
|---|---|---|---|---|
| Long-Term loans and advances | 367.79 | 369.97 | 277.22 | - |
| Other non-current assets | 2,092.65 | 1,544.13 | 597.97 | 220.25 |
| **Total (a)** | **7,920.93** | **5,861.13** | **3,996.00** | **2,970.33** |
| | | | | |
| **(b) Current Assets** | | | | |
| i. Trade receivables | 683.51 | 315.27 | 124.75 | 253.11 |
| ii. Cash and cash equivalents | 728.02 | 843.07 | 45.10 | 42.18 |
| iii. Inventories | 17.25 | 14.96 | - | - |
| iv. Short-term loans and advances | 441.20 | 347.08 | 60.25 | 170.96 |
| v. Other current assets | 2.72 | 9.92 | - | - |
| **Total (b)** | **1,872.70** | **1,530.30** | **230.10** | **466.25** |
| | | | | |
| **Total (a + b)** | **9,793.63** | **7,391.43** | **4,226.10** | **3,436.58** |

**CONSOLIDATED RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS**

***(₹ in Lakhs)***

| Particulars | For the six-months period ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **(I) Income** | | | | |
| a. Revenue from Operations | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| b. Other Income | 2.34 | 29.47 | 24.55 | 0.04 |
| **Total Income (I)** | **3,186.32** | **3,153.16** | **1 ,704.70** | **602.73** |
| | | | | |
| **(II) Expenses** | | | | |
| a. Employee benefit expenses | 608.81 | 547.85 | 268.30 | 112.59 |
| b. Finance costs | 212.51 | 352.63 | 352.61 | 304.72 |
| c. Depreciation and amortization expenses | 114.34 | 111.12 | 107.22 | 97.83 |
| d. Other expenses | 1,450.57 | 1,589.36 | 786.54 | 251.66 |
| **Total expenses (II)** | **2,386.23** | **2,600.96** | **1,514.67** | **766.80** |
| | | | | |
| **(III) Profit before tax (I - II)** | **800.09** | **552.20** | **190.03** | **(164.07)** |
| | | | | |
| **(IV) Tax Expenses:** | **118.88** | **140.70** | **85.16** | **(84.78)** |
| (i) Current tax | 131.21 | 9.92 | 1.71 | - |
| (ii) Deferred tax charge/ (credit) | (12.33) | 130.78 | 83.45 | (84.78) |
| | | | | |
| **(V) Profit/(Loss) for the period / year (before adjustment for minority interest) (III-IV)** | **681.21** | **411.50** | **104.87** | **(79.29)** |
| | | | | |
| (VI) Less: Share of Profit transferred to minority Interest | 58.84 | 3.73 | 1.38 | - |
| | | | | |
| **(VII) Profit for the period / year after adjustment for minority Interest (V- VI)** | **622.37** | **407.77** | **103.49** | **(79.29)** |
| **Earnings per Equity Share (face value ₹ 10 each)** | | | | |
| -Basic (in Rupees) | 3.74 | 2.54 | 0.70 | (0.53) |
| -Diluted (in Rupees) | 3.74 | 2.54 | 0.70 | (0.53) |

**CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOW**

***(₹ in Lakhs)***

| Particulars | | For the six-months period ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| | | | | | |
| **A. Cash flow from operating activities** | | | | | |
| | | | | | |
| Profit before tax | | 800.09 | 552.20 | 190.03 | (164.07) |
| **Adjustments for:** | | | | | |
| Add: | Depreciation & amortization expenses | 114.34 | 111.12 | 107.22 | 97.83 |
| | Interest Income | (0.42) | (0.11) | (0.55) | - |
| | Provision for Bad debts | 0.12 | 0.05 | - | - |
| | Gratuity | 4.69 | 16.41 | 2.39 | 4.28 |
| | Finance Cost | 212.51 | 352.63 | 352.61 | 304.69 |
| **Operating Profit Before Working Capital Changes** | | **1,131.33** | **1,032.30** | **651.70** | **242.73** |
| **Adjustments for net changes in working capital:** | | | | | |
| Decrease/(Increase) in other current assets | | 7.02 | (9. 94) | (0.01) | - |
| (Increase)/Decrease in trade receivables | | (368.37) | (190.56) | 128.36 | (156.73) |
| (Increase)/Decrease in short-term loans and advances | | (133.69) | (251.12) | 132.90 | - |
| (Increase) / Decrease in long-term loans and advances | | 2.18 | (92.75) | (277.22) | - |
| Increase in inventories | | (2.49) | (14.96) | - | - |
| Increase in Other Current Liabilities | | (88.42) | 188.89 | 119.37 | - |
| (Increase)/Decrease in Trade Payables | | 211.76 | 95.47 | 25.04 | (13.23) |
| Increase in Long term provisions | | (3.34) | (3.00) | (0.70) | - |
| Increase in Short term provisions | | 124.13 | 3.14 | 0.70 | - |
| **Net (Increase)/Decrease in Working Capital** | | **(251.22)** | **(274.83)** | **128.44** | **(169.96)** |
| | | | | | |
| **Cash generated from operating activities** | | **880.11** | **757.47** | **780.14** | **72.77** |
| Less: taxes paid (net of refund) | | (91.64) | (35.70) | (22.19) | - |
| **Net cash generated from operating activities (A)** | | **788.98** | **721.77** | **757.95** | **72.77** |
| | | | | | |
| **B. Cash flow from investing activities:** | | | | | |
| Purchase of property plant and equipment | | (1,189.38) | (492.98) | (434.13) | (73.15) |
| Purchase of intangible assets | | (3.84) | - | (5.49) | - |
| Interest Income | | 0.42 | 0.11 | 0.55 | - |
| Addition of Capital Work in Progress | | (433.99) | (449.03) | (38.36) | - |
| Sale of Intangible Assets | | - | 4.44 | - | - |
| Security Deposit given | | (548.53) | (945.91) | (377.70) | - |

| | | | | |
|---|---|---|---|---|
| **Net cash generated used in investing activities (B)** | **(2,175.32)** | **(1,883.38)** | **(855.12)** | **(73.15)** |
| | | | | |
| **C. Cash flow from financing activities:** | | | | |
| Interest & finance charges paid | (212.51) | (352.63) | (352.61) | (304.69) |
| Transactions with non-controlling interests | 478.55 | (10.30) | 100.02 | - |
| Proceeds from issue of equity | 68.51 | 298.03 | - | - |
| Securities Premium | 408.89 | 2,244.77 | - | - |
| Capital Reserve | 8.35 | - | - | - |
| Drawings by partners | (5.97) | (9.97) | 118.43 | - |
| Proceed/ (Repayments) from Short-term borrowings | 183.19 | (4.47) | 234.25 | 335.29 |
| Proceed/ (Repayments) of Long-term borrowings | 342.79 | (205.85) | - | - |
| | | | | |
| **Net cash generated from financing activities (C)** | **1,271.80** | **1,959.58** | **100.09** | **30.60** |
| | | | | |
| **Net increase in cash and cash equivalents (A) + (B) + (C)** | **(115.05)** | **797.97** | **2.92** | **30.22** |
| | | | | |
| Cash and cash equivalents at the beginning of the year/period | 843.07 | 45.10 | 42.18 | 11.96 |
| **Cash & Cash Equivalent at the End of the period/year** | **728.02** | **843.07** | **45.10** | **42.18** |
| | | | | |
| **Cash and Cash Equivalents** | | | | |
| Cash-in-Hand | 2.90 | 2.40 | 19.61 | 26.69 |
| Balances with banks | - | - | - | - |
| - in current accounts | 722.91 | 838.46 | 23.39 | 1.09 |
| - in Bank Deposits with original maturity less than 3 months | 2.21 | 2.21 | 2.10 | 14.40 |
| **Cash and Cash Equivalents** | **728.02** | **843.07** | **45.10** | **42.18** |

## SECTION V: GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Grand Continent Hotels Private Limited" pursuant to certificate of incorporation dated November 11, 2011, issued by the RoC, Chennai, Tamil Nadu.

Subsequently, our Company was converted into public limited company pursuant special resolution passed by the shareholders at the EGM held on May 27, 2024, and the name of our Company was changed to "Grand Continent Hotels Limited" and a fresh certificate of incorporation dated August 30, 2024, consequent upon conversion from private company to public company was issued by RoC, Central Processing Centre bearing CIN U55101TN2011PLC083100.

For further details, please refer to the section titled *'History and Certain Corporate Matters'* beginning on page 196 of this Red Herring Prospectus.

### REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

The address and certain other details of our Registered Office and Corporate Office are as follows:

### GRAND CONTINENT HOTELS LIMITED

| **Registered Office:** | **Corporate Office:** |
|---|---|
| S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.<br>Tel No: +91 44-35808280<br>E-mail: infoblr@grandcontinenthotels.com<br>Website: www.grandcontinenthotels.com | Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India.<br>Tel No: +91 80 41656491<br>E-mail: shiva@grandcontinenthotels.com<br>Website: www.grandcontinenthotels.com |

For details of the changes in our Registered and Corporate Office, refer section titled "*History and Certain Corporate Matters – Changes in the Registered Office*" at page 196 of this Red Herring Prospectus.

### COMPANY REGISTRATION NUMBER AND CORPORATE IDENTITY NUMBER

The registration number and corporate identity number of our Company are as follows:

**Corporate Registration Number:** 083100

**Corporate Identification Number:** U55101TN2011PLC083100

### REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Chennai which is situated at the following address:

Registrar of Companies, Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India.
**Tel No:** 044-28270071/28276654
**Fax No:** 044-28234298
**Email ID:** roc.chennai@mca.gov.in
**Website:** www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

SME Platform of National Stock Exchange of India Limited i.e. "**NSE Emerge**"
Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051, Maharashtra, India. **Website:** www.nseindia.com

**OUR BOARD OF DIRECTORS**

The following table sets out details regarding our Board as on the date of this Red Herring Prospectus:

| Sr. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 1. | Mr. Ramesh Siva | Chairman and Managing Director | 02449456 | B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, 4th Phase, J P Nagar, Bengaluru South, Bengaluru - 560078, Karnataka, India. |
| 2. | Mrs. Vidya Ramesh | Whole-time Director | 02127241 | B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, 4th Phase, J P Nagar, Bengaluru South, Bengaluru - 560078, Karnataka, India. |
| 3. | Ms. Deepthi Shiva | Non-Executive Non-Independent Director | 08416405 | B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, J P Nagar, 4th Phase, Behind Rainbow Childrens Hospital, Bengaluru South, Bengaluru - 560078, Karnataka, India. |
| 4. | Mr. V Swaminathan | Non-Executive Independent Director | 00238629 | C-121, DLF Capital Greens, 15 Shivaji Marg, Moti Nagar, Ramesh Nagar, West Delhi-110015 Delhi, India. |
| 5. | Mr. Chandrasekhar Sundaram | Non-Executive Independent Director | 00024184 | B-7-604, L and T South City, Reliance Mart Arekere Mico Layout, Bengaluru South, Bannerghatta Road, Bengaluru, Bengaluru – 560076, Karnataka, India |

For further details of our Directors, please refer to the section titled '*Our Management*' beginning on page 205 of this Red Herring Prospectus.

**CHIEF FINANCIAL OFFICER**
**Mr. Mithun Jayaraman**
**Grand Continent Hotels Limited**
Municipal No 3, 3rd Main Road, K R Garden,
Koramangala, Bengaluru - 560095, Karnataka, India.
**Tel No.:** +91 80 4165 6491
**E-mail:** cfo@grandcontinenthotels.com

**COMPANY SECRETARY AND COMPLIANCE OFFICER**
**Ms. Aastha Kochar**
**Grand Continent Hotels Limited**
Municipal No 3, 3rd Main Road, K R Garden, Koramangala,
Bengaluru - 560095, Karnataka, India.
**Tel No.:** +91 80 4165 6491
**E-mail:** cs@grandcontinenthotels.com

**Investor Grievances:**

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer and/or the Book Running Lead Manager, in case of any pre-offer or post-offer related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

For all Offer related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Offer-related queries and for redressal of complaints, investors may also write to the BRLM.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS OFFER OF OUR COMPANY

### BOOK RUNNING LEAD MANAGER OF THE OFFER

**INDORIENT FINANCIAL SERVICES LIMITED**
B/805, Rustomjee Central Park, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India.
**Tel No.:** +91-79772 12186
**E-mail:** compliance-ifsl@indorient.in
**Investor Grievance Email:** wecare@indorient.in
**Website:** www.indorient.in
**Contact Person:** Mr. Ivor Anil Misquith
**SEBI Registration No.:** INM000012661
**CIN:** U67190DL1993PLC052085

### REGISTRAR TO THE OFFER

**MUFG Intime India Private Limited** *(Formerly Link Intime India Private Limited)*
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra, India – 400 083.
**Tel No.:** +91 – 810 811 4949
**Fax No.** +91 22 4918 6060
**E-mail:** grandcontinent.ipo@linkintime.co.in
**Investor Grievance Email:** grandcontinent.ipo@linkintime.co.in
**Website**: www.linkintime.co.in
**Contact Person:** Ms. Shanti Gopalkrishnan
**SEBI Registration No:** INR000004058
**CIN:** U67190MH1999PTC118368

### LEGAL COUNSEL TO THE OFFER

**STERLING LAW ASSOCIATES LLP**
601 Umarji House No-1, CTS No. 404A-404B, Telli Gally Opp Masjid, Andheri East, Mumbai, Maharashtra, India, 400069
**Tel No.:** +91 91720 75003
**E-mail:** ajay.yadav@sterlingassociates.in
**Contact Person:** Mr. Ajay Yadav

### STATUTORY AND PEER REVIEW AUDITORS

**M/S. BHUTA SHAH & CO LLP**
Chartered Accountants
3rd floor, 302, Regent Chambers, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021, Maharashtra, India.
**Tel:** 022 43439191
**E-mail:** jay.jhaveri@bhutashah.com
**Website:** www.bhutashah.com
**Contact Person:** Mr. Jay Jhaveri
**Firm Registration No:** 101474W / W100100
**Membership No:** 134864
**Peer Review Certificate No:** 017101

### UNDERWRITER(S) TO THE OFFER

**INDORIENT FINANCIAL SERVICES LIMITED**
B/805, Rustomjee Central Park, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India.
**Tel No.:** +91-79772 12186
**E-mail:** compliance-ifsl@indorient.in

**Investor Grievance Email:** wecare@indorient.in
**Website:** www.indorient.in
**Contact Person:** Mr. Ivor Anil Misquith
**SEBI Registration No.:** INM000012661
**CIN:** U67190DL1993PLC052085

**MARKET MAKER TO THE OFFER**

**ALACRITY SECURITIES LIMITED**
101-102/B, Hari Darshan, Bhogilal Fadia Road, Kandivali West, Mumbai – 400067, Maharashtra, India.
**Tel No.:** 022-69527500
**E-mail:** alacritysec@gmail.com
**Website:** www.alacritysec.com
**Contact Person:** Mr. Kishore V. Shah
**SEBI Registration No.:** INZ000215936
**CIN:** L99999MH1994PLC083912
**NSE Market Maker Registration No.** NSE/MEM/09098

**BANKER TO OUR COMPANY**

| | |
|---|---|
| **Name** | ICICI Bank Limited |
| **Address** | No. 584, 80 Feet Road, Opp to Bethany High School, Koramangala 8th Block Bengaluru-560095, Karnataka, India. |
| **Tel No.** | 9353294005 |
| **E-mail** | sachin.kumar22@icicibank.com |
| **Website** | www.icicibank.com |

**BANKERS TO THE OFFER/ PUBLIC OFFER BANK/ REFUND BANKER/ SPONSOR BANK**

| | |
|---|---|
| **Name** | Kotak Mahindra Bank Limited |
| **Address** | Intellion Square, 501, 5th Floor, A Wing, Infinity IT Park, Gen. A.K. Valdya Marg, Malad — East, Mumbal -400097, Maharashtra, India |
| **CIN** | L65110MH1985PLC038137 |
| **Tel No.** | +91 022 66056603 |
| **E-mail** | cmsipo@kotak.com |
| **Contact Person** | Siddhesh Shirodkar |
| **Website** | www.kotak.com |
| **SEBI Registration No.** | INBI00000927 |

**MONITORING AGENCY TO THE OFFER**

| | |
|---|---|
| **Name** | Acuite Ratings & Research Limited |
| **Address** | 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai – 400042, Maharashtra, India. |
| **CIN** | U74999MH2005PLC155683 |
| **Tel No.** | +91 99698 98000 |
| **E-mail** | chitra.mohan@acuite.in |
| **Investor Grievance E-mail** | grievances@acuite.in |
| **Contact Person** | Ms. Chitra Mohan |
| **Website** | www.acuite.in |
| **SEBI Registration No.** | IN/CRA/006/2011 |

**DESIGNATED INTERMEDIARIES**

***Self-Certified Syndicate Banks (SCSB's)***

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

***Eligible SCSBs as Sponsor Banks 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may only apply through mobile applications using UPI handles or through SCSBs whose names appear on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40), which may be 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 SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for applications or at such other websites as may be prescribed by SEBI from time to time.

***Syndicate SCSB Branches***

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the ASBA 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at ASBA Specified Locations, refer to the above-mentioned SEBI link.

***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), respectively, as updated from time to time.

***Registrar to the Offer and Share Transfer Agents***

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of SEBI i.e. (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10), respectively, as updated from time to time.

***Collecting Depository Participants***

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI on (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) from time to time.

**STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since, Indorient Financial Services Limited is the sole Book Running Lead Manager to this Offer, a statement of inter se allocation of responsibilities amongst Book Running Lead Manager is not applicable.

**CREDIT RATING**

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

**IPO GRADING**

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

**EXPERT OPINION**

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

1. Our Company has received written consent dated November 19, 2024 from the Statutory Auditors namely, M/s. Bhuta Shah & Co LLP., Chartered Accountant to include their name as an "expert" as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations and as defined under Section 2 (38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements, dated November 14, 2024 and the Statement of Special Tax Benefits dated November 19, 2024,

included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

2. Our Company has received a written consent dated November 06, 2024 from Adroit Associates acting through its proprietor Mr. Srinivas T. Ramappa, Independent Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and an "expert", as defined under Section 2(38) of the Companies Act 2013 in respect of cost assessment report issued by them in their capacity as an Independent Chartered Engineer and details derived therefrom as included in this Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**GREEN SHOE OPTION**

No green shoe option is contemplated under the Offer.

**DEBENTURE TRUSTEES**

This is an Offer of Equity Shares hence appointment of debenture trustees is not required.

**MONITORING AGENCY**

Our Company has appointed Acuite Ratings & Research Limited as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations. For details in relation to the monitoring agency, refer section titled "*Monitoring Agency to the Offer*" above and for the proposed utilisation of the Net Proceeds, refer section titled "*Objects of the Offer*" on page 114 of this Red Herring Prospectus.

**APPRAISAL AGENCY**

The objects of the Offer and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

**TYPE OF OFFER**

The present Offer is considered to be 100% Book Building Process.

**FILING OF DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS/ PROSPECTUS WITH THE DESIGNATED STOCK EXCHANGE / SEBI / ROC**

The Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246(2) of SEBI ICDR Regulations. Pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in.

A copy of the Red Herring Prospectus, along with the material contracts and documents has been filed in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus shall be filed with the RoC situated at Registrar of Companies, Chennai at Block No.6,B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034, Tamil Nadu, India as required under Section 26 of the Companies Act and through the electronic portal at https://www.mca.gov.in/content/mca/global/en/home.html

**Book Building Process**

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band has been determined by our Company in consultation with the Book Running Lead Manager, and advertised in all editions of the English national newspaper Financial Express , all editions of Hindi national newspaper Jansatta and Chennai Edition of Regional newspaper Dina Kural where our registered office is situated at least two working days prior to the Bid/ Offer Opening date. The Offer 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/ Offer Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Indorient Financial Services Limited.

- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) may be appointed by the Book Running Lead Manager;
- The Registrar to the Offer and;
- The Designated Intermediaries and Sponsor bank.

The SEBI ICDR Regulations have permitted the Offer of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), out 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 Offer Price. 5% of the 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed 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 and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹ 5 lakhs) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

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 (except Anchor 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 and Non-Institutional Bidders upto ₹5 Lakhs applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the section titled "*Offer Procedure*" beginning on page 347 of this Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please refer section entitled "*Offer Procedure*" on page 347 of this Red Herring Prospectus

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1000 | 23 | 1500 | 50.00% |
| 1500 | 22 | 3000 | 100.00% |
| 2000 | 21 | 5000 | 166.67% |
| 2500 | 20 | 7500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled "*Offer Procedure*" on page 347 of this Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form

**BID/OFFER PROGRAMME**

An indicative timetable in respect of the Offer is set out below:

| EVENT | INDICATIVE DATE |
|---|---|
| Bid/ Offer Opening Date [(1)] | Thursday, March 20, 2025 |
| Bid/ Offer Closing Date | Monday, March 24, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or about Tuesday, March 25, 2025 |
| Initiation of Allotment/ Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | On or about Wednesday, March 26, 2025 |
| Credit of Equity Shares to demat accounts of Allottees | On or about Wednesday, March 26, 2025 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or about Thursday, March 27, 2025 |

*[(1)] Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening 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 (three) Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our 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 Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer 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 Applicant on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, 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/ Offer Closing Date, Bidders are advised to submit their applications 1 (one) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Offer 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/ Offer Closing Date,

as is typically experienced in public Offer, 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 Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM 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 Applicants 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 Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer 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 Applicant, 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 Applicant, the Registrar to the Offer shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

**UNDERWRITING AGREEMENT**

Our Company and the Book Running Lead Manager to the Offer hereby confirm that, this Offer is 100% underwritten by the Underwriter.

Pursuant to the terms of the Underwriting Agreement dated November 09, 2024 , obligations of the Underwriter are subject to certain conditions specified therein.

The Underwriter have indicated their intention to underwrite the following number of Equity Shares being offered through this Offer:

| Details of the Underwriter(s) | No. of shares Underwritten* | Amount Underwritten (₹ in Lakhs) | % of the Total Offer Size Underwritten |
|---|---|---|---|
| **INDORIENT FINANCIAL SERVICES LIMITED**<br>B/805, Rustomjee Central Park, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India.<br>**Tel No.:** +91-79772 12186<br>**E-mail:** compliance-ifsl@indorient.in<br>**Investor Grievance Email:** wecare@indorient.in<br>**Website:** www.indorient.in<br>**Contact Person:** Mr. Ivor Anil Misquith<br>**SEBI Registration No.:** INM000012661<br>**CIN:** U67190DL1993PLC052085 | Upto 65,89,200 | [●] | 100% |

**Includes* 3,30,000 *Equity shares for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

As per Regulation 260 of SEBI ICDR Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Offer out of its own account.

In the opinion of the Board, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

**Changes in Auditors during last 3 Years**

M/s. Bhuta Shah & Co LLP are appointed as Peer Review Auditors of our Company in compliance with Regulation 229 (3) (b) of Chapter IX of SEBI ICDR Regulations and hold a valid peer review certificate no. 017101 dated June 14, 2024 issued by the "Peer Review Board" of the ICAI.

Except as mentioned below, there has been no change in the auditors of our Company during the last 3 years:

| Sr. No. | Particulars of Auditor | Date of change | Reason |
|---|---|---|---|
| 1. | **M/s. Bhuta Shah & Co LLP**<br>Chartered Accountants | June 27, 2024 | Appointment as the Statutory Auditors of the Company for a |

| | | | |
|---|---|---|---|
| | 3rd floor, 302, Regent Chambers, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021, Maharashtra.<br>**Tel:** 022 43439191<br>**E-mail:** jay.jhaveri@bhutashah.com<br>**Website:** www.bhutashah.com<br>**Contact Person:** Mr. Jay Jhaveri<br>**Firm Registration No:** 101474W / W100100<br>**Membership No:** 134864<br>**Peer Review Certificate No:** 017101 | | period of five years from April 01, 2024 to March 31, 2029 |
| 2. | **M/s. Bhuta Shah & Co LLP**<br>Chartered Accountants<br>3rd floor, 302, Regent Chambers, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021, Maharashtra.<br>**Tel:** 022 43439191<br>**E-mail:** jay.jhaveri@bhutashah.com<br>**Website:** www.bhutashah.com<br>**Contact Person:** Mr. Jay Jhaveri<br>**Firm Registration No:** 101474W / W100100<br>**Membership No:** 134864<br>**Peer Review Certificate No:** 017101 | March 18, 2024* | Appointment as the Statutory Auditors for one financial year from April 01, 2023 to March 31, 2024 to fill the casual vacancy caused by the resignation of the previous statutory auditor, M/s. K Srirangarajan & Associates |
| 3. | **M/s. K Srirangarajan & Associates**<br>**Chartered Accountants**<br>SF-02, RAR Furniture, No.47, 1st Main Road Royan Circle Chamrajpet, Bengaluru- 560018, Karnataka.<br>**Tel:** 080-41900118, 98453-90780<br>**E-mail:** ksrirangarajan@gmail.com<br>**Website:** Not Available<br>**Contact Person:** K Srirangarajan<br>**Firm Registration No:** 004067S<br>**Membership No:** 026104<br>**Peer Review Certificate No:** Not Available | March 05, 2024 | Resignation due to preoccupation in other assignments |

*Date of approval of shareholders in the EGM has been considered.

**WITHDRAWAL OF THE OFFER**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof.

If our Company withdraws the Offer anytime after the Bid/ Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) Working Days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) Working Day from the day of receipt of such instruction.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the filing of Red Herring Prospectus/ Prospectus with RoC.

**DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER**

Our Company has entered into Market Making Agreement dated November 09, 2024, with the Book Running Lead Manager and Market Maker to fulfill the obligations of Market Making.

| | |
|---|---|
| **Name** | Alacrity Securities Limited |
| **Registered Office Address** | 101-102/B, Hari Darshan, Bhogilal Fadia Road, Kandivali West, Mumbai – 400067, Maharashtra, India. |
| **Tel No.** | 022-69527500 |
| **E-mail** | alacritysec@gmail.com |

| | |
|---|---|
| **Website** | www.alacritysec.com |
| **Contact Person** | Mr. Kishore V. Shah |
| **SEBI Registration** | INZ000215936 |
| **CIN** | L99999MH1994PLC083912 |
| **NSE Market Maker Registration No.** | NSE/MEM/09098 |

**Market Maker Registration No. (SME Segment of NSE – NSE EMERGE):**

Alacrity Securities Limited, registered with EMERGE platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

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

(i) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by NSE. Further, the Market Maker(s) shall inform NSE in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

(ii) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge (SME platform of NSE) and SEBI from time to time.

(iii) 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 offer their holding to the Market Maker(s) (individually or jointly) 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.

(iv) After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote if the Shares of Market Maker in the Company reaches to 25% of Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of the Offer Size would not be taken in to consideration for computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in the Company reduces to 24% of Offer Size, the Market Maker will resume providing two (2) way quotes. Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the NSE EMERGE during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two-way quotes during the first three months of the market making irrespective of the level of holding.

(v) There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.

(vi) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE Emerge (in this case currently the minimum trading lot size is 1,200 Equity Shares; however the same may be changed by the NSE Emerge from time to time).

(vii) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

(viii) The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

(ix) The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the NSE EMERGE.

(x) 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-mcfrure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

(xi) The Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of the Company or any person who has acquired shares from such Promoter or person belonging to Promoter Group, during the compulsory market making period.

(xii) The Promoters holding of the Company shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of Company which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the NSE EMERGE, in the manner specified by SERI from time to time.

(xiii) The Market Maker(s) shall have the right to terminate said arrangement by giving a 3 (three) months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 BRLM 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, as amended. Further our Company and the BRLM 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. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.

(xiv) The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Company via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

(xv) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so. On the first day of the listing, there will be pre-opening session (call auction) and there after the 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 pie-open call auction.

(xvi) There would not be more than one Market Maker per scrip at any point of time.

(xvii) The Market Maker has to act in that capacity for a period of three years.

(xviii) **Risk containment measures and monitoring for Market Makers:** NSE Emerge will have all margins, which are applicable on 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.

(xix) **Punitive Action in case of default by Market Makers:** NSE Emerge 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.

(xx) **Price Band and Spreads:** The price band shall be between 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.

(xxi) Further, the following shall apply to market makers while managing their inventory during the process of market making:

a. The exemption from threshold as per table below shall not be applicable for the first three months of market making and the market maker shall be required to provide two-way quotes during this period irrespective of the level of holding.
b. Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Offer size

at the time of allotment in the Offer.

c. Any initial holdings over and above such 5% of Offer size would not be counted towards the inventory levels prescribed.

d. Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold.

e. Threshold limit will take into consideration, the inventory level across market makers.

f. The market maker shall give two-way quotes till he reaches the upper limit threshold, thereafter he has the option to give only sell quotes.

g. Two-way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

h. In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

(xxii) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Offer size and as follows:

| **Offer Size** | **Buy quote exemption threshold (including mandatory initial inventory of 5% of the Offer Size)** | **Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Offer Size)** |
|---|---|---|
| Up to ₹ 20 Crore | 25% | 24% |
| ₹ 20 Crore to ₹ 50 Crore | 20% | 19% |
| ₹ 50 Crore to ₹ 80 Crore | 15% | 14% |
| Above ₹ 80 Crore | 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.

## SECTION VI: CAPITAL STRUCTURE

The Share capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to the Offer is set forth below:

Amount (in ₹, except share data)

| Sr. No. | Particulars | Aggregate value at face value (₹) | Aggregate value at Offer Price (₹)* |
|---|---|---|---|
| **A.** | **AUTHORIZED SHARE CAPITAL**(1) | | |
| | 2,50,00,000 Equity Shares having face value of ₹ 10 /- each | 25,00,00,000 | - |
| | **Total** | **25,00,00,000** | |
| | | | |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 1,86,59,003 Equity Shares having face value of ₹ 10/- each | 18,65,90,030 | - |
| | **Total** | **18,65,90,030** | |
| | | | |
| **C.** | **PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS** | | |
| | Offer of up to 65,89,200 Equity Shares of face value of ₹ 10/- each* | 6,58,92,000 | [●] |
| | *Of Which:* | | |
| | Fresh Issue up to 62,60,400 Equity Shares having Face Value of ₹ 10/-each (2) | 6,26,04,000 | [●] |
| | Offer for Sale of up to 3,28,800 Equity Shares of face value of ₹ 10 each by the Promoter Selling Shareholder (2) (3) | 32,88,000 | [●] |
| | | | |
| | ***Consisting:*** | | |
| **D.** | **Market Maker Reservation Portion** – 3,30,000 Equity Shares reserved as Market Maker Reservation Portion at a price of ₹ [●] per Equity Share | 33,00,000 | [●] |
| **E.** | **Employee Reservation Portion** – 12,000 Equity Shares reserved as Employee Reservation Portion at a price of ₹ [●] per Equity Share **(6)** | 1,20,000 | |
| **F.** | **Net Offer to the Public** – 62,47,200 Equity Shares at a price of ₹ [●] per Equity Share | 6,24,72,000 | [●] |
| | ***Of the Net Offer to the Public: (3)*** | | |
| | At least 21,87,600 Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Retail Individual Investors | 2,18,76,000 | [●] |
| | At least 9,37,200 Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Non-Institutional Investors | 93,72,000 | [●] |
| | Not more than 31,22,400 Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. Of which shall be allocated to mutual funds. | 3,12,24,000 | [●] |
| | | | |
| **G.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | Upto 2,49,19,403 Equity Shares of face value of ₹ 10/- each (assuming full subscription in the Offer) | [●] | |
| | | | |
| **H.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer (as on date of this Red Herring Prospectus)(4) | 12,55,28,250 | |
| | After the Offer | [●] | |

*To be updated upon finalization of the Offer Price. The face value of equity shares is ₹ 10/- each. The floor price is ₹ 107/- per equity share which is 10.70 times of the face value and the cap price is ₹ 113/- per equity share which is 11.30 times of the face value.

*(1) For details in relation to the changes in the authorised share capital of our Company, please refer the section titled 'History and Certain Other Corporate Matters – Amendments to the Memorandum of Association' beginning on page 196 of this Red Herring Prospectus.*

(2) *The Offer has been authorised by our Board vide a resolution passed at its meeting held on November 06, 2024* and *by the shareholders of our Company vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on November 08, 2024.*

(3) *Our Board taken on record the consent for the Offer for Sale of the Promoter Selling Shareholder pursuant to its resolution dated November 14, 2024.Promoter Selling Shareholder confirms that their respective portion of the Offered Shares have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI and are eligible in accordance with the SEBI ICDR Regulations. Promoter Selling Shareholder confirms compliance with and will comply with the conditions of the SEBI ICDR Regulations, to the extent applicable. For details of the authorization of Promoter Selling Shareholder in relation to their respective Offered Shares, refer section titled "Other Regulatory and Statutory Disclosures" on page 318 of this Red Herring Prospectus.*

(4) *For detailed information on the Net Offer and its allocation various categories, please refer the section titled 'The Offer' beginning on page 79 of this Red Herring Prospectus.*

(5) *Amount is Unaudited*

(6) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 2 lakhs, subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 5 lakhs. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. For further details, refer "Offer Procedure" and "Offer Structure" on pages 347 and 341, respectively.*

**Class of the Shares**

Our Company has one class of share capital i.e. Equity Shares of face value of ₹ 10/- each. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

There are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus.

**NOTES TO CAPITAL STRUCTURE**

**1. Details of changes in authorised share capital:**

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

| Particulars of change | | Date of Shareholders Meeting | AGM/EGM |
|---|---|---|---|
| **From** | **To** | | |
| The authorized share capital of our Company on incorporation comprised of ₹ 1,00,000/-consisting of 10,000 Equity Shares of ₹ 10/- each. | | On Incorporation | — |
| ₹1,00,000/- consisting of 10,000 Equity Shares of ₹ 10/- each | ₹1,01,00,000/- consisting of 10,10,000 Equity Shares of ₹ 10/- each | March 01, 2021 | EGM |
| ₹1,01,00,000/- consisting of 10,10,000 Equity Shares of ₹ 10/- each | ₹6,00,00,000/- consisting of 60,00,000 Equity Shares of ₹ 10/- each | September 13, 2023 | EGM |
| ₹6,00,00,000/- consisting of 60,00,000 Equity Shares of ₹ 10/- each | ₹25,00,00,000/- consisting of 2,50,00,000 Equity Shares of ₹ 10/- each | May 27, 2024 | EGM |

**2. History of Share capital of our Company**

**(a) Equity Shares capital**

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

| Sr. No. | Date of allotment | Number of Equity Shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) including Premium | Total Consideration (₹) | Nature of consideration | Nature of allotment | Cumulative number of Equity Shares | Cumulative paid-up Equity Share Capital (₹) |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Incorporation | 10,000 | 10 | 10 | 1,00,000 | Cash | Subscription of MOA | 10,000 | 1,00,000 |
| 2. | March 31, 2021 | 10,00,000 | 10 | 10 | 1,00,00,000 | Cash | Rights Issue in the ratio of 100:1 | 10,10,000 | 1,01,00,000 |
| 3. | September 29, 2023 | 21,44,000 | 10 | 14 | 3,00,16,000 | Consideration other than cash | Conversion from loan to equity(1) | 31,54,000 | 3,15,40,000 |
| 4. | January 03, 2024 | 2,13,500 | 10 | 258 | 5,50,83, 000 | Cash | Private Placement | 33,67,500 | 3,36,75,000 |
| 5. | January 08, 2024 | 1,35,750 | 10 | 258 | 3,50,23,500 | Cash | Private Placement | 35,03,250 | 3,50,32,500 |
| 6. | February 20, 2024 | 2,57,000 | 10 | 258 | 6,63,06,000 | Cash | Private Placement | 37,60,250 | 3,76,02,500 |
| 7. | March 28, 2024 | 2,30,000 | 10 | 295 | 6,78,50,000 | Cash | Private Placement | 39,90,250 | 3,99,02,500 |
| 8. | July 05, 2024 | 5,084 | 10 | 295 | 14,99,780 | Conversion of Warrants (2) | Private Placement | 39,95,334 | 3,99,53,340 |
| 9. | July 11, 2024 | 1,39,83,669 | 10 | Not Applicable | Not Applicable | Consideration other than cash | Bonus Issue (3) | 1,79,79,003 | 17,97,90,030 |
| 10. | July 24, 2024 | 2,25,000 | 10 | 68 | 1,53,00,000 | Cash | Private Placement | 1,82,04,003 | 18,20,40,030 |
| 11. | August 05, 2024 | 4,55,000 | 10 | 68 | 3,09,40,000 | Cash | Private Placement | 1,86,59,003 | 18,65,90,030 |

*(1) Conversion of Loan to Equity was approved by the shareholders of the Company vide resolution dated September 13, 2023.*

*(2) Equity Shares were fully paid after conversion of warrants into Equity Shares as per agreed terms of conversion approved by the shareholders' of the Company at their Extra-Ordinary General Meeting held on March 18, 2024*

*(3) Bonus Issue in the ratio of 7 Equity Shares for every 2 Equity Shares held.*

**Equity Shares:**

(1) Initial subscribers to Memorandum of Association subscribed 10,000 Equity Shares at par as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Ramesh Siva | 9,000 |
| 2. | Mrs. Vidya Ramesh | 1,000 |
| | **Total** | **10,000** |

(2) Rights Issue made in ratio of 100:1 i.e. 100 Equity Shares issued for 1 Equity Share held, of 10,00,000 Equity Shares of face value of ₹10/- each issued at par for consideration in cash as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Ramesh Siva | 9,50,000 |
| 2. | Mrs. Vidya Ramesh | 50,000 |
| | **Total** | **10,00,000** |

(3) Conversion of Loan into 21,44,000 Equity Shares of face value of ₹10/- each issued at an issue price of ₹14/- each including a premium of ₹4/- on each Equity Share as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Ramesh Siva | 12,31,500 |
| 2. | Mrs. Vidya Ramesh | 9,12,500 |

| | | |
|---|---|---|
| | **Total** | **21,44,000** |

(4) Private Placement of 2,13,500 Equity Shares of face value of ₹10/- each issued at an issue price of ₹ 258/- each including a premium of ₹ 248/- on each Equity Share for consideration in cash as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | M/s Negen Undiscovered Value Fund | 1,94,000 |
| 2. | Ms. Nipa Prashant Sheth | 9,750 |
| 3. | Mr. Dhruv Gandhi | 9,750 |
| | **Total** | **2,13,500** |

(5) Private Placement of 1,35,750 Equity Shares of face value of ₹10/- each issued at an issue price of ₹258/- including a premium of ₹ 248/- on each Equity Share for consideration in cash as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | M/s Odyssey Corporation Limited | 1,26,000 |
| 2. | Ms. Meeta Hiten Mehta | 9,750 |
| | **Total** | **1,35,750** |

(6) Private Placement of 2,57,000 Equity Shares of face value of ₹10/- each issued at an issue price of ₹258/- each including a premium of ₹ 248/- on each Equity Share for consideration in cash as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | M/s Negen Undiscovered Value Fund | 1,16,000 |
| 2. | Mr. Ajay Jaisinghani | 24,500 |
| 3. | Ms. Reina Jaisinghani | 77,500 |
| 4. | Ms. Ritika Jaisinghani | 29,250 |
| 5. | Ms. Diypti Bharwani | 9,750 |
| | **Total** | **2,57,000** |

(7) Private Placement of 2,30,000 Equity Shares of face value of ₹10/- each issued at an issue price of ₹ 295/- each including a premium of ₹ 285/- on each Equity Share for consideration in cash as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Ajay Jaisinghani | 33,750 |
| 2. | Ms. Reina Jaisinghani | 33,750 |
| 3. | Mr. Giridhari Jaisinghani | 17,000 |
| 4. | Ms. Monisha Khanchandani | 8,500 |
| 5. | M/s Meher Kukreja Trust | 7,000 |
| 6. | M/s Mittal Analytics Private Limited | 80,000 |
| 7. | Mr. Rahul Agarwal | 30,000 |
| 8. | Ms. Charu Agarwal | 20,000 |
| | **Total** | **2,30,000** |

(8) Issue of 5,084 Equity Shares pursuant to conversion of 1 (one) warrant into 1 (one) equity share of face value ₹10/- each, issued at a price of ₹ 295/- each including a premium of ₹ 285/- on each Equity Share as per the details given below:

| Sr. No. | Name of allottee | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Rahul Agarwal | 5,084 |
| | **Total** | **5,084** |

(9) Bonus allotment of 1,39,83,669 Equity Shares by way of bonus issue to the existing shareholders in the ratio of 7 (Seven) Equity Shares for every 2 (Two) Equity Share held by capitalizing ₹13,98,36,690 out of the free reserves

of our Company and pursuant to the approvals received from shareholders of our Company vide resolution dated June 27, 2024. The details of the allotment are as follows:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Ramesh Siva | 73,50,000 |
| 2. | Mrs. Vidya Ramesh | 33,57,900 |
| 3. | Mr. Hiten Mehta | 2,26,100 |
| 4. | Ms. Rekha Yogesh Gandhi | 12,250 |
| 5. | Ms. Bhavana Sunil Koradia | 12,250 |
| 6. | Ms. Payal Viral Gandhi | 12,250 |
| 7. | Mr. Fenil Rajeshbhai Shah | 12,250 |
| 8. | Mr. Viral Yogesh Gandhi | 56,000 |
| 9. | M/s Negen Undiscovered Value Fund | 10,85,000 |
| 10. | M/s Alacrity Securities Ltd | 2,13,500 |
| 11. | Ms. Nipa Prashant Sheth | 34,125 |
| 12. | Ms. Meeta Hiten Mehta | 34,125 |
| 13. | Mr. Dhruv Gandhi | 34,125 |
| 14. | Mr. Ajay Jaisinghani | 2,03,875 |
| 15. | Ms. Reina R Jaisinghani | 3,65,575 |
| 16. | Ms. Ritika Jaisinghani | 1,02,375 |
| 17. | Ms. Diypti Bharwani | 34,125 |
| 18. | Mr. Giridhari Jaisinghani | 59,500 |
| 19. | Ms. Monisha Khanchandani | 29,750 |
| 20. | M/s Meher Kukreja Trust | 24,500 |
| 21. | M/s Mittal Analytics Pvt Ltd | 3,93,750 |
| 22. | Mr. Rahul Agarwal | 1,22,794 |
| 23. | Ms. Charu Agarwal | 70,000 |
| 24. | Mr. Sandeep Navinchandra Patel | 59,500 |
| 25. | Mr. Patel Dushyant Navinbhai | 12,250 |
| 26. | Mr. Ayush Agarwal | 23,800 |
| 27. | Mr. Yogansh Jeswani | 18,200 |
| 28. | Ms. Reshma Manish Kukreja | 23,800 |
| | **Total** | **1,39,83,669** |

(10) Private Placement of 2,25,000 Equity Shares of face value of ₹10/- each issued at an issue price of ₹68/- each including a premium of ₹58/- on each Equity Share as per the details given below:

| Sr. No. | Name of allottee | No. of Equity Shares allotted |
|---|---|---|
| 1. | M/s Negen Undiscovered Value Fund | 2,25,000 |
| | **Total** | **2,25,000** |

(11) Private Placement of 4,55,000 Equity Shares of face value of ₹10/- each issued at an issue price of ₹68/- each including a premium of ₹58/- on each Equity Share as per the details given below:

| Sr. No. | Name of allottees | No. of Equity Shares allotted |
|---|---|---|
| 1. | Mr. Neil Madan Bahal | 2,25,000 |
| 2. | Mrs. Vidya Ramesh | 2,30,000 |
| | **Total** | **4,55,000** |

**(b) Preference share capital**

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

**3. Issue of shares for consideration other than cash or out of revaluation of reserves**

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash.

| Date of Allotment | Number of Equity Shares | Face value per equity share (₹) | Issue Price per equity share (₹) | Reason for Allotment | Benefits Accrued to our Company | Name of the Allottees | No. of shares Allotted |
|---|---|---|---|---|---|---|---|
| September 29, 2023 | 21,44,000 | 10 | 14 | Conversion from loan to equity | Improvement in debt to equity ratio | Mr. Ramesh Siva | 12,31,500 |
| | | | | | | Mrs. Vidya Ramesh | 9,12,500 |
| | | | | | | **Total** | 21,44,000 |
| July 11, 2024 | 1,39,83,669 | 10 | NA | Bonus in the ratio of 7:2 i.e., 7 Equity Share for every 2 Equity Shares held | Capitalization of Reserves & Surplus | Refer Note 1 Below | |

*Note 1:*

| *Sr. No.* | *Name of allottees* | *No. of Equity Shares allotted* |
|---|---|---|
| *1.* | *Mr. Ramesh Siva* | *73,50,000* |
| *2.* | *Mrs. Vidya Ramesh* | *33,57,900* |
| *3.* | *Mr. Hiten Mehta* | *2,26,100* |
| *4.* | *Ms. Rekha Yogesh Gandhi* | *12,250* |
| *5.* | *Ms. Bhavana Sunil Koradia* | *12,250* |
| *6.* | *Ms. Payal Viral Gandhi* | *12,250* |
| *7.* | *Mr. Fenil Rajeshbhai Shah* | *12,250* |
| *8.* | *Mr. Viral Yogesh Gandhi* | *56,000* |
| *9.* | *M/s Negen Undiscovered Value Fund* | *10,85,000* |
| *10.* | *M/s Alacrity Securities Ltd* | *2,13,500* |
| *11.* | *Ms. Nipa Prashant Sheth* | *34,125* |
| *12.* | *Ms. Meeta Hiten Mehta* | *34,125* |
| *13.* | *Mr. Dhruv Gandhi* | *34,125* |
| *14.* | *Mr. Ajay Jaisinghani* | *2,03,875* |
| *15.* | *Ms. Reina R Jaisinghani* | *3,65,575* |
| *16.* | *Ms. Ritika Jaisinghani* | *1,02,375* |
| *17.* | *Ms. Diypti Bharwani* | *34,125* |
| *18.* | *Mr. Giridhari Jaisinghani* | *59,500* |
| *19.* | *Ms. Monisha Khanchandani* | *29,750* |
| *20.* | *M/s Meher Kukreja Trust* | *24,500* |

| | | |
|---|---|---|
| *21.* | *M/s Mittal Analytics Pvt Ltd* | *3,93,750* |
| *22.* | *Mr. Rahul Agarwal* | *1,22,794* |
| *23.* | *Ms. Charu Agarwal* | *70,000* |
| *24.* | *Mr. Sandeep Navinchandra Patel* | *59,500* |
| *25.* | *Mr. Patel Dushyant Navinbhai* | *12,250* |
| *26.* | *Mr. Ayush Agarwal* | *23,800* |
| *27.* | *Mr. Yogansh Jeswani* | *18,200* |
| *28.* | *Ms. Reshma Manish Kukreja* | *23,800* |
| | ***Total*** | ***1,39,83,669*** |

**4. Issue of Equity Shares at a price lower than the Offer Price in the last 1 (one) year**

Except as mentioned above in point number 2(a) of '*Notes to Capital Structure*', we have not issued any Equity Shares at price below Offer Price within last 1 year from the date of this Red Herring Prospectus.

**5. Issue of preference shares or equity shares having superior voting rights**

Our Company has not issued any equity shares having superior voting rights compared to all other Equity Shares issued, as on the date of this Red Herring Prospectus.

**6. Issue of Equity Shares pursuant to schemes of arrangement**

No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of this Red Herring Prospectus.

**7. Build-up of Promoter's shareholding, Promoter's contribution and lock-in**

(i) **Build-up of Promoter's shareholding**

As on the date of this Red Herring Prospectus, our Promoters hold an aggregate of 1,39,97,300 Equity Shares, aggregating to 75.02 % of the issued, subscribed and paid-up Equity Share capital of our Company. For further details, refer "*Our Promoter and Promoter Group*" on page 226 of this Red Herring Prospectus:

| Nature of transaction | Nature of consideration | Date of allotment/ Transfer | No. of equity shares allotted/ transferred | No. of cumulative equity shares | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Percentage of the pre-Offer capital (%) | Percentage of the post-Offer capital (%) |
|---|---|---|---|---|---|---|---|---|
| **(1) Mr. Ramesh Siva** | | | | | | | | |
| Subscriber to MOA | Cash | November 11, 2011 | 9,000 | 9,000 | 10 | 10 | 0.05 | [●] |
| Allotment | Cash | March 31, 2021 | 9,50,000 | 9,59,000 | 10 | 10 | 5.09 | [●] |
| Allotment | Conversion of loan | September 29, 2023 | 12,31,500 | 21,90,500 | 10 | 14 | 6.60 | [●] |
| Transfer | Cash | November 20, 2023 | (64,600) * | 21,25,900 | 10 | 14 | -0.35 | [●] |
| Transfer | Cash | November 20, 2023 | (16,000) * | 21,09,900 | 10 | 14 | -0.09 | [●] |
| Transfer | Cash | November 20, 2023 | (3,500) * | 21,06,400 | 10 | 14 | -0.02 | [●] |
| Transfer | Cash | November 20, 2023 | (3,500) * | 21,02,900 | 10 | 14 | -0.02 | [●] |
| Transfer | Cash | November 20, 2023 | (2,900) * | 21,00,000 | 10 | 14 | -0.02 | [●] |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Allotment | Bonus | July 11, 2024 | 73,50,000 | 94,50,000 | 10 | NA | 39.39 | [●] |
| **(2) Mrs. Vidya Ramesh** | | | | | | | | |
| Subscriber to MOA | Cash | November 11, 2011 | 1,000 | 1,000 | 10 | 10 | 0.01 | [●] |
| Allotment | Cash | March 31, 2021 | 50,000 | 51,000 | 10 | 10 | 0.27 | [●] |
| Allotment | Conversion of loan | September 29, 2023 | 9,12,500 | 9,63,500 | 10 | 14 | 4.89 | [●] |
| Transfer | Cash | November 20, 2023 | (3,500) * | 9,60,000 | 10 | 14 | -0.02 | [●] |
| Transfer | Cash | November 20, 2023 | (600) * | 9,59,400 | 10 | 14 | Negligible | [●] |
| Allotment | Bonus | July 11, 2024 | 33,57,900 | 43,17,300 | 10 | NA | 18.00 | [●] |
| Allotment | Cash | August 05, 2024 | 2,30,000 | 45,47,300 | 10 | 68 | 1.23 | [●] |

**Amounts in bracket "( )" signify negative figures*

Our Promoters have confirmed to our Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their owned funds and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

(ii) **Details of Promoters' contribution locked in for 3 years:**

Pursuant to Regulation 236 and Regulation 238 of SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum Promoters' contribution **("Minimum Promoters Contribution")** and shall be locked-in for a period of 3 years from the date of Allotment. Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment. The lock-in of the Minimum Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Designated Stock Exchange before listing of the Equity Shares.

All the Equity Shares of our Company held by our Promoters and the Promoter Group are in dematerialized form. Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Offer capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of / sold / transferred / pledged or otherwise disposed of in any manner by our Promoters during the period starting from the date of filing this Red Herring Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the post-Offer capital of our Company, held by our Promoters shall be locked-in for a period of 3 years from the date of Allotment in the Offer as follows:

| **Name of the Promoter** | **Number of Equity Shares locked-in** | **Date of allotment of Equity Shares / Date of Transfer of Equity Shares** | **Nature of allotment** | **Face Value per Equity Share (₹)** | **Issue Price per Equity Share (₹)** | **% of pre-Offer shareholding** | **% of post-Offer shareholding *** | **Date up to which Equity Shares are subject to lock-in** |
|---|---|---|---|---|---|---|---|---|
| Mr. Ramesh Siva | 34,32,045 | July 11, 2024 | Bonus Issue | 10 | NA | 18.39 | 13.77 | [●] |
| Mrs. Vidya Ramesh | 15,67,955 | July 11, 2024 | Bonus Issue | 10 | NA | 8.40 | 6.29 | [●] |
| **TOTAL** | **50,00,000** | | | | | **26.80** | **20.06** | |

**Assuming full subscription of Offer*

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters' under the SEBI ICDR Regulations.

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 connection, our Company hereby confirms that the Equity Shares locked-in do not consist of:

a) Equity Shares acquired during the preceding 3 years from the date of filing this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus shares issued out of revaluations reserves or unrealized profits of our Company or bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's Contribution;
b) Equity Shares acquired during the preceding 1 year from the date of filing this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
c) Equity Shares held by our Promoters and offered for minimum Promoters' contribution are subject to any pledge; and
d) Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

(iii) **Details of Equity Shares locked-in for 1 year**

In terms of Regulation 238 (b) and 239 of the SEBI ICDR Regulations other than the Equity Shares held by our Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for 3 years, all the pre-Offer Equity Shares shall be subject to lock-in for a period of 1 year from the date of allotment in the Offer except as required under applicable law.

(iv) **Other requirements in respect of lock-in**

**a) Inscription or Recording of non-transferability:**

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company shall ensure that the lock in is recorded by the Depositories for pre-IPO Equity Shares which are in dematerialized form.

**b) Pledge of Locked-in Equity Shares:**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters, can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

i. If the Equity Shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the Issuer or its Subsidiary for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares is one of the terms of sanction of the loan;

ii. If the Equity Shares are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the Equity Shares till the lock-in period stipulated in these Regulations has expired.

**c) Transfer of Locked-in Equity Shares:**

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters or persons/ members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI SAST Regulations, as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and Promoter Group prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI SAST Regulations, as applicable.

## 8. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as per Regulation 31 of SEBI Listing Regulations:

Summary of Shareholding Pattern as on date of this Red Herring Prospectus:

| Category | Category of shareholder | No. of shareholders | No. of fully paid up Equity Shares held | No. of Partly paid-up Equity Shares held | No. of shares underlying Depository Receipt | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Voting Rights held in each class of securities | | | No. of shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C) | No. of Locked in shares | | No. of Shares pledged or otherwise encumbered | | No. of Equity Shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of Voting Rights | | | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class: Equity Shares | Total | Total as a % of (A+B+C) | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV) + (V) + (VI) | (VIII) | (IX) | | | (X) | (XI) = (VII)+(X) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter and Promoter Group | 2 | 1,39,97,300 | --- | --- | 1,39,97,300 | 75.02 | 1,39,97,300 | 1,39,97,300 | 75.02 | --- | --- | --- | --- | --- | --- | 1,39,97,300 |
| (B) | Public | 29 | 46,61,703 | --- | --- | 46,61,703 | 24.98 | 46,61,703 | 46,61,703 | 24.98 | --- | --- | --- | --- | --- | --- | 46,61,703 |
| (C) | Non Promoter- Non Public | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (C1) | Shares underlying DRs | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (C2) | Shares held by Employee Trusts | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | **Total** | **31** | **1,86,59,003** | --- | --- | **1,86,59,003** | **100** | **1,86,59,003** | **1,86,59,003** | **100** | **Nil** | **Nil** | --- | --- | --- | --- | **1,86,59,003** |

*Note:*

*a) As on the date of this Red Herring Prospectus 1 Equity Share holds 1 vote.*

*b) PAN of the shareholders will be provided by our Company prior to listing of Equity Share on the Designated Stock Exchange.*

*c) Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, 1 day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of the NSE before commencement of trading of such Equity Shares.*

*d) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI SAST Regulations.*

*e) All pre-IPO Equity Shares of our Company will be locked-in prior to listing of Equity Shares on SME Platform of NSE.*

**9. Details of Equity Shares held by our Directors, Key Managerial Personnel and Senior Management**

Except as set out below, none of the Directors or Key Managerial Personnel or Senior Management of our Company are holding any Equity Shares in our Company:

| Sr. No. | Name | Designation | No. of Equity Shares | % of the pre-Offer Equity Share capital | % of the post-Offer expanded Equity Share capital |
|---|---|---|---|---|---|
| 1. | Mr. Ramesh Siva | Chairman & Managing Director | 94,50,000 | 50.65 | [●] |
| 2. | Mrs. Vidya Ramesh | Whole-time Director | 45,47,300 | 24.37 | [●] |
| **Total** | | | 1,39,97,300 | 75.02 | [●] |

**10. Acquisition and sale/transfer of Equity Shares by our Promoters, Promoter Group, Directors and their relatives in last 6 months:**

None of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus:

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

| Name of our Promoters | No. of Equity Shares held | Average cost of acquisition* (in ₹) |
|---|---|---|
| Mr. Ramesh Siva | 94,50,000 | 2.81 |
| Mrs. Vidya Ramesh | 45,47,300 | 6.36 |

**As certified by M/s Bhuta Shah & Co LLP., Chartered Accountants, by way of their certificate dated March 13, 2025.*

**12.** None of the Equity Shares of our Company are subject to any pledge as on the date of this Red Herring Prospectus.

**13.** There are no other persons belonging to the category "Person Acting in Concert" who are holding the Equity Shares of our Company more than 5% of the total number of shares as on the date of this Red Herring Prospectus.

**14.** Except as disclosed below, there are no persons belonging to the category "Public" who are holding the Equity Shares of our Company more than 1% of the total number of shares as on the date of this Red Herring Prospectus.

| Name of Shareholders | Number of Equity Shares held of face value of ₹10/- each | % of the pre-Offer paid-up Equity Share Capital |
|---|---|---|
| M/s Negen Undiscovered Value Fund | 16,20,000 | 8.68 |
| M/s Mittal Analytics Pvt Ltd | 5,06,250 | 2.71 |
| Ms. Reina Jaisinghani | 4,70,025 | 2.52 |
| Mr. Hiten Mehta | 2,90,700 | 1.56 |
| M/s Alacrity Securities Ltd | 2,74,500 | 1.47 |
| Mr. Ajay Jaisinghani | 2,62,125 | 1.40 |
| Mr. Neil Madan Bahal | 2,25,000 | 1.21 |
| **Total** | **36,48,600** | **19.55** |

**15. Details of Major Shareholders**

a) List of shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on date of the Red Herring Prospectus:

| Name of Shareholders | Number of Equity Shares held of face value of ₹10/- each | Pre-Offer |
|---|---|---|
| | | % of the paid-up Equity Share Capital |
| Mr. Ramesh Siva | 94,50,000 | 50.65 |

| | | |
|---|---|---|
| Mrs. Vidya Ramesh | 45,47,300 | 24.37 |
| M/s Negen Undiscovered Value Fund | 16,20,000 | 8.68 |
| M/s Mittal Analytics Pvt Ltd | 5,06,250 | 2.71 |
| Ms. Reina Jaisinghani | 4,70,025 | 2.52 |
| Mr. Hiten Mehta | 2,90,700 | 1.56 |
| M/s Alacrity Securities Ltd | 2,74,500 | 1.47 |
| Mr. Ajay Jaisinghani | 2,62,125 | 1.40 |
| Mr. Neil Madan Bahal | 2,25,000 | 1.21 |

b) List of shareholders holding 1% or more of the Paid-up Capital of our Company as on a date 10 days prior to the date of the Red Herring Prospectus:

| **Name of Shareholders** | **Number of Equity Shares held of face value of ₹10/- each** | **Pre-Offer** |
|---|---|---|
| | | **% of the paid-up Equity Share Capital** |
| Mr. Ramesh Siva | 94,50,000 | 50.65 |
| Mrs. Vidya Ramesh | 45,47,300 | 24.37 |
| M/s Negen Undiscovered Value Fund | 16,20,000 | 8.68 |
| M/s Mittal Analytics Pvt Ltd | 5,06,250 | 2.71 |
| Ms. Reina Jaisinghani | 4,70,025 | 2.52 |
| Mr. Hiten Mehta | 2,90,700 | 1.56 |
| M/s Alacrity Securities Ltd | 2,74,500 | 1.47 |
| Mr. Ajay Jaisinghani | 2,62,125 | 1.40 |
| Mr. Neil Madan Bahal | 2,25,000 | 1.21 |

c) List of shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on a date 1-year prior to the date of the Red Herring Prospectus

| **Name of Shareholders** | **Number of Equity Shares held of face value of ₹10/- each** | **Pre-Offer** |
|---|---|---|
| | | **% of the paid-up Equity Share Capital** |
| Mr. Ramesh Siva | 21,00,000 | 55.85 |
| Mrs. Vidya Ramesh | 9,59,400 | 25.51 |
| M/s Negen Undiscovered Value Fund | 3,10,000 | 8.24 |
| M/s Odyssey Corporation Limited | 1,26,000 | 3.35 |
| Ms. Reina Jaisinghani | 77,500 | 2.06 |
| Mr. Hiten Mehta | 64,600 | 1.72 |

d) List of shareholders holding 1% or more of the paid-up Equity Share capital of our Company 2 years prior to the date of filing of this Red Herring Prospectus:

| **Category of Shareholders** | **Number of Equity Shares held of face value of ₹10/- each** | **Pre-Offer** |
|---|---|---|
| | | **% of the paid-up Equity Share Capital** |
| Mr. Ramesh Siva | 9,59,000 | 94.95 |
| Mrs. Vidya Ramesh | 51,000 | 5.05 |

**16.** As on the date of this Red Herring Prospectus, our Company does not have an employee stock option plan.

**17.** Neither the Book Running Lead Manager nor their associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares of our Company as on the date of the Red Herring Prospectus.

**18.** There are no Equity Shares against which depository receipts have been issued.

**19.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus until the listing of Equity Shares on the Designated Stock Exchange pursuant to this Offer.

**20.** Our Company presently does not have any intention or proposal and is not under negotiations or considerations to alter our capital structure for a period of 6 months from the date of opening of the Offer, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on rights issue basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer; Provided further that if our Company enters into acquisition(s) or Joint Venture(s) or if the business needs otherwise arise, we may, subject to necessary approvals, consider raising additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such Joint Ventures or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by our Board to be in the interest of our Company.

**21.** There have been no financing arrangements whereby our Promoters, Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise, during the period of 6 months immediately preceding the date of filing of this Red Herring Prospectus.

**22.** Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Offer from any person.

**23.** All securities offered through the Offer shall be made fully paid-up, if applicable, or may be forfeited for non-payment of calls within twelve months from the date of allotment of Equity Shares.

**24.** An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the Allotment subject to minimum Allotment, which is the minimum application size. Consequently, the actual Allotment may go up by a maximum of 10% of the Net Offer, as a result of which, the post- Offer paid-up capital after the Offer would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post-Offer paid-up capital is locked in.

**25.** The Book Running Lead Manager and their associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

**26.** Investors may note that in case of over-subscription, Allotment will be on proportionate basis as detailed under '*Basis of Allotment'* in the section titled *'Offer Procedure'* beginning on page 347 of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253(2) of SEBI ICDR Regulations.

**27.** 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 Red Herring Prospectus.

**28.** All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus. Further, since the entire Offer Price in respect of the Offer is payable on Application, all the successful Applicants will be issued fully paid-up Equity Shares and thus all Equity Shares offered through this Offer shall be fully paid-up.

**29.** As per RBI regulations, OCBs are not allowed to participate in this Offer.

**30.** As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

**31.** Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

**32.** Our Company shall comply with such accounting and disclosure norms as specified by NSE, SEBI and other regulatory authorities from time to time.

**33.** An Applicant cannot make an Application for more than the number of Equity Shares being issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

**34.** Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Offer except as disclosed in this Red Herring Prospectus.

**35.** We have 31 (Thirty - One) Shareholders as on the date of filing of the Red Herring Prospectus

**36.** Our Promoters and the members of our Promoter Group will not participate in this Offer, other than to the extent of the Promoter Selling Shareholder participating in the Offer for Sale in his capacity as a 'selling shareholder'.

**37.** Our Company has not made any public issue since its incorporation and has not made any rights issue of any kind or class of securities since its incorporation.

**38.** Our Company has not revalued its assets since its incorporation.

**39.** This Offer is being made through the Book Building Method.

**40.** As on date of this Red Herring Prospectus, there are no outstanding financial instruments or any other rights, that would entitle the existing Promoter or Shareholders or any other person, any option to receive Equity Shares after the Offer.

**41.** Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing this Red Herring Prospectus and the Offer Closing Date shall be reported to the Designated Stock Exchange within 24 hours of such transaction.

**42.** Up to 12,000 Equity Shares aggregating up to ₹ [●] lakhs (which shall not exceed 5% of the post-Offer Equity Share Capital of our Company) shall be reserved for allocation to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price as applicable for the Employee Reservation Portion). Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 2 lakhs. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 2 lakhs up to ₹ 5 lakhs.

For the details of transactions by our Company with our Promoter Group during the six months period ended September 30, 2024 and Financial Years ended March 31, 2024, 2023, and 2022, please refer to the paragraph titled *'Related Party Transactions'* in the section titled *'Financial Information'* beginning on page 234 of this Red Herring Prospectus. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the section titled *'Our Management'* beginning on page 205 of the Red Herring Prospectus.

## SECTION VII: PARTICULARS OF THE OFFER

## OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of up to 62,60,400 Equity Shares of face value ₹10 each aggregating up to ₹ [●] by our Company and an Offer for Sale of up to 3,28,800 Equity Shares of face value ₹10 each aggregating to ₹ [●] by the Selling Shareholder. For details, please refer chapter titled "*Summary of this Red Herring Prospectus*" and "*The Offer*" on page 29 and 79 respectively of this Red Herring Prospectus.

### OFFER FOR SALE

The object of the Offer for Sale is to allow the Promoter Selling Shareholder to sell up to 3,28,800 Equity Shares held by it aggregating up to ₹ [●] Lakhs. Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale, net of the proportion of the Offer-related expenses and the relevant taxes thereon.

The details of the Offer for Sale are set out below:

| Name of the Selling Shareholder* | Aggregate amount of Offer for Sale | Number of Equity Shares offered in the Offer for Sale | Date of consent letter |
|---|---|---|---|
| Ramesh Siva | Up to [●] | Up to 3,28,800 | November 11, 2024 |

** The Selling shareholder has confirmed and authorized his participation in the Offer for Sale in relation to the Offered Shares. The Shareholder confirms that the Offered Shared have been held by him for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI in accordance with SEBI ICDR Regulations.*

### FRESH ISSUE

Our Company proposes to utilize the net proceeds, being the Gross Proceeds of the Fresh Issue less the Offer related expenses **("Net Proceeds"),** towards funding the following objects (collectively, **the "Objects"):**

1. Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by our Company
2. Expansion of our Hotel properties in India
3. General Corporate Purpose

In addition, our Company expects to achieve the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image amongst our existing and potential customers and creating a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects clause, as set out in our Memorandum of Association, enables us to undertake the existing business activities and the activities for which funds are being raised by us through the Offer. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MoA.

### Net Proceeds

After deducting the offer related expenses from the gross proceeds of the Fresh Issue, we estimate the Net Proceeds of the Fresh Issue to be ₹ [●]. The details of the Net Proceeds of the Offer are summarized in the table below:

*(₹ in Lakhs)*

| Particulars | Amount |
|---|---|
| Gross Proceeds from the Fresh Issue [(1)] | [●] |
| Less: Offer related expenses in relation to the Fresh Issue to be borne by our Company [(2)] | [●] |
| Net Proceeds [(1)] | [●] |

*[(1)] To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC.*
*[(2)] The Offer related expenses shall vary depending upon the final offer size and the allotment of Equity Shares. For further details, please refer to heading titled '- Offer Related Expenses' mentioned below.*

**Proposed schedule of implementation and utilisation 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 | Proposed Utilization from Net Proceeds | Estimated schedule of deployment of Net Proceeds in | |
|---|---|---|---|---|
| | | | **Financial Year 2025** | **Financial Year 2026** |
| Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by our Company | 3,408.08 | 3,408.08 | 3,408.08 | -- |
| Expansion of our Hotel properties in India | 1,679.24 | 1,679.24 | 717.08 | 962.16 |
| General Corporate Purpose * | [●] | [●] | [●] | [●] |
| **Net Proceeds*** | [●] | [●] | [●] | [●] |

** To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. In compliance with SEBI ICDR Regulations, the amounts utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, if required and general corporate purposes in accordance with applicable laws.

In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. Further, the deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, our ability to identify and implement growth initiatives, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, refer section titled "*Risk Factors – A substantial portion of the Net Proceeds will be utilized for the repayment and/or prepayment of certain outstanding borrowings availed of by our Company. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval. Further, our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on internal management estimates based on current market conditions."* on page 38 of this Red Herring Prospectus.

**Means of Finance**

The amount shall be financed the manner set forth below:

| Sl. No. | Particulars | Amount |
|---|---|---|
| 1 | Net Proceeds | [●] |
| 2 | Internal Accruals | NIL |

Subject to applicable law, if the actual utilization towards 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 Gross Proceeds in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the 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 additional debt

from existing and/or future lender or fresh issue of equity shares, subject to applicable laws and regulations. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilisation of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please refer section titled "*Risk Factors*" beginning on page 38 of this Red Herring Prospectus.

**Details of the Objects of the Fresh Issue**

**1. Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by our Company**

Our Company has entered into various borrowing arrangements with banks, financial institutions, and non-banking financial companies in the ordinary course of business. As of February 28, 2025, the Company had total outstanding borrowings of ₹4,547.03 Lakhs (including secured or unsecured borrowings), of which the facilities earmarked for repayment/ prepayment from Net Proceeds has an outstanding amount of ₹3,440.53 Lakhs. This amount is subject to change as of March 31, 2025, based on the repayment schedules provided by the respective lenders.

Our Company intends to utilize an aggregate amount of ₹3,408.08 Lakhs from the Net Proceeds towards repayment/ prepayment of all or a portion of certain earmarked outstanding borrowings availed by the Company. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment/ prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. We believe that such repayment or prepayment or redemption will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid or redeemed amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding.

The abovementioned factors will also determine the form of investment undertaken by our Company for prepayment/ repayment of the borrowing arrangements availed by our recent acquisitions. The details of the borrowings availed by our Company, which are proposed to be fully repaid from the Net Proceeds is mentioned below:

| Sr. No. | Name of the Lender | Date of Sanction letter/ facility agreement | Date of Disbursement of Loan | Nature of loan | Rate of interest as on date of this certificate (% per annum) | Sanctioned amount (in ₹ Lakh) | Total principal loan outstanding as on 28 February 2025 (in ₹ Lakh) | Repayment Schedule | Prepayment penalty/conditions | Purpose for which the loan was sanctioned | Whether the loan is utilised for the purpose for which it was availed |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Bank of Baroda | 04-01-2017 | 11-01-2017 | Term loan | 12.15% | 70.00 | 4.14 | 60 months | NA | To start hotel lodging at Malleswaram, Bengaluru | Yes |
| 2 | Bank of Baroda | 15-05-2021 | 18-05-2021 | Term loan | 9.25% | 8.70 | 4.71 | 36 months | NA | Working Capital | Yes |
| 3 | Aditya Birla Finance limited | 28-11-2018 | 04-12-2018 | Term loan | 12.50% | 1,015.00 | 877.61* | 236 months | NA | Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indira nagar | Yes |
| 4 | Aditya Birla Finance limited | 28-11-2018 | 21-08-2019 | Line of Credit | 12.50% | 85.00 | 131.41* | Yearly Renewal | NA | Day to day operations and working capital | Yes |
| 5 | Aditya Birla Finance limited | 25-03-2021 | 31-03-2021 | Line of Credit | 12.50% | 60.00 | | Yearly Renewal | NA | Short Term working capital requirement | Yes |
| 6 | Aditya Birla Finance limited | 22-11-2022 | 28-11-2022 | Term loan | 11.30% | 200.00 | 192.84* | 155 months | 1% | Business Operations and Working Capital management of the Company | Yes |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | Aditya Birla Finance limited | 22-11-2022 | 30-11-2022 | Term loan | 11.30% | 250.00 | 240.95* | 155 months | 1% | Business Operations and Working Capital management of the Company | Yes |
| 8 | Aditya Birla Finance limited* | 22-10-2020 | 24-10-2020 | Term loan | 12.50% | 76.07 | 78.23* | 159 months | NA | The original purpose of the loan having sanction amount 1,015 Lakhs was Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indira nagar of which the Covid period moratorium payment has been converted into new loan | Yes |
| 9 | Hinduja Leyland Finance Limited | 19-06-2023 | 13-06-2023 & 19-06-2023 | Term loan | 12.50% | 1,100.00 | 1,034.35 | 144 months | 3% | Refinancing of existing debt from SBI and addition of 1 leased property in Manyata Tech Park | Yes |
| 10 | Hinduja Leyland Finance Limited | 13-10-2023 | 13-10-2023 | Term loan | 12.00% | 50.00 | 47.48 | 144 months | 3% | Working Capital | Yes |
| 11 | UC Inclusive Credit Private Limited | 27-03-2024 | 27-03-2024 | Term loan | 17.00% | 500.00 | 401.45 | 33 months | 2% [only after 12 months allowed] | For business expansion & meeting working capital requirements | Yes |
| 12 | BMW India Financial Services Pvt. Ltd. | 11-04-2024 | 17-04-2024 | Car loan | 9.25% | 30.00 | 27.36 | 84 months | NA | Vehicle Purchase | Yes |
| 13 | UC Inclusive Credit Private Limited | 30-10-2024 | 31-10-2024 | Term Loan | 17.00% | 300.00 | 300.00# | 33 months | 2% | For business expansion & meeting working capital requirements of the Company | Yes |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | Ayesspea Holdings and Investment Private Limited | 15-9-2024 | 19-09-2024 & 23-09-2024 | Inter Company deposit | 25% at the time of repayment | 100.00 | 100.00 | 6 months | NA | Financing for business needs | Yes |
| | | | | | | **Total** | **3,440.53** | | | | |

**The outstanding balances of loans includes TDS overdues and/or other overdues.*

*#The repayment of the principal amount for the loan shall commence after moratorium period of 3 months.*

*Our Statutory Auditors, Bhuta Shah & Co LLP, have confirmed that the above borrowing has been utilised for the purpose of which they are availed pursuant to their certificate dated March 13, 2025.*

There has been no instance of delays, defaults and rescheduling/restructuring of the aforementioned borrowings of our Company. Considering that the Net Proceeds will be utilised towards repayment of borrowings of our Company. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case the identified loans mentioned above (excluding interest thereon) is repaid/prepaid or refinanced prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment / prepayment of such additional and/ or re-financed indebtedness availed by us.

**2. Expansion of our Hotel properties in India.**

We intend to set up of new hotels on lease in different locations i.e. Chennai, Kanchipuram, Hyderabad and Goa. This strategic step is driven by our objective to increase the revenue, allow us to tap into new markets or demographics, attracting different types of guests and enhancing our brand's visibility, etc.

Our Company has identified five hotel properties to be acquired on lease. These properties are located in Chennai, Kanchipuram, Hyderabad and Goa. The Company has signed Memorandum of Understanding for each of these properties and intends to use a sum of ₹1,679.24 lakhs towards expenditures on getting these properties to be ready for onboarding and welcoming guest.

***(₹ in Lakhs)***

| DETAILS | Property 1 | Property 2 | Property 3 | Property 4 | Property 5 | Total |
|---|---|---|---|---|---|---|
| **No of Keys** | **60** | **65** | **75** | **59** | **87** | **346** |
| **Nature of Work** | | | | | | |
| **Interiors and furnishings** | | | | | | |
| Carpentry | 19.08 | 5.20 | 6.00 | 18.76 | - | **49.04** |
| Bathroom refurbishment | 0.00 | 18.69 | 21.56 | 0.00 | 0.00 | **40.25** |
| Upholstery and fabric | 0.00 | 36.40 | 42.00 | 0.00 | 48.72 | **127.12** |
| Artwork and accessories | 2.40 | 2.60 | 3.00 | 2.36 | 3.48 | **13.84** |
| Refurbishment of reception and lobby areas | 5.11 | 6.09 | 6.09 | 5.11 | 5.11 | **27.51** |
| Refurbishment of restaurant | 9.63 | 9.63 | 9.63 | 9.63 | 0.00 | **38.52** |
| Gymnasium | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | **7.10** |
| Design fee | 7.50 | 7.50 | 7.50 | 7.50 | 10.00 | **40.00** |
| **Total** | **45.14** | **87.53** | **97.20** | **44.78** | **68.73** | **343.38** |
| | | | | | | |
| **Guest Rooms and Lobby** | **6.76** | **14.84** | **17.12** | **13.47** | **9.80** | **61.99** |
| (TV, mini bar, safe locker, hair dryer, electrical kettle, AC's etc) | | | | | | |
| | | | | | | |
| **Banquet Hall and Conference room** | **5.22** | **5.22** | **5.22** | **5.22** | **5.22** | **26.10** |
| (tables, chairs, screen, mikes, projectors, white board, TV, AC etc) | | | | | | |
| | | | | | | |
| **IT equipment** | **6.34** | **6.34** | **6.34** | **6.34** | **8.70** | **34.06** |
| (desktop, laptop, printers, server, IDS, Wi-Fi etc) | | | | | | |
| | | | | | | |
| **Restaurant** | | | | | | |
| (cutlery, fittings and furnishing etc) | **3.95** | **3.95** | **3.95** | **7.91** | **9.88** | **29.64** |
| | | | | | | |
| **Kitchen Equipment** | **11.07** | **11.07** | **11.07** | **16.61** | **22.14** | **71.96** |
| (Burner, Refrigerator, sink, microwave etc) | | | | | | |
| | | | | | | |
| **Deposit fee (payable to property owner)** | **200.00** | **210.00** | **150.00** | **120.00** | **300.00** | **980.00** |
| **Registration charges (government)** [(4)] | **15.52** | **18.51** | **13.45** | **8.79** | **25.84** | **82.11** |
| **Fee to Franchisee Partner** | **10.00** | **10.00** | **10.00** | **10.00** | **10.00** | **50.00** |
| | | | | | | |
| **Total** | **304.00** | **367.46** | **314.35** | **233.12** | **460.31** | **1,679.24** |

Note 1**:** Property 5 – Restaurant refurbishment cost – cost differential as compared to other properties due to the property having one coffee lounge, one roof top dining and one bar in addition to the restaurant.

Note 2: Property 4 – The unit will have two restaurants and the Company has to spend on furnishing on one restaurant.

Note 3: Property 4 & 5 – Property 4 has two Restaurants and Property 5 has two restaurants and one with a bar. Hence the incremental cost for cutlery etc.

Note 4: Registration cost in

- Tamil Nadu (Chennai and Kanchipuram) are 1% of deposit and annual lease value
- Telangana (Hyderabad) is 0.4% on total lease payable in the agreement
- Goa, for lease agreement covering period between 5 – 10 years, 2% of 4 times average annual rent

**Year -wise expenditure is as follows:-**

| | | (in INR Lakhs) | | |
|---|---|---|---|---|
| **DETAILS** | **No of keys** | **Total Cost** | **FY 2024 - 25** | **FY 2025 - 26** |
| Property 1 | 60 | 304.00 | 304.00 | - |
| Property 2 | 65 | 367.46 | 104.96 | 262.50 |
| Property 3 | 75 | 314.35 | 75.00 | 239.35 |
| Property 4 | 59 | 233.12 | 233.12 | - |
| Property 5 | 87 | 460.31 | - | 460.31 |
| **TOTAL** | **346** | **1,679.24** | **717.08** | **962.16** |

| **Details** | **Description** | **Location** | **Status of the agreement for the property** |
|---|---|---|---|
| Property 1 | mid-priced with 60 rooms business hotel | Chennai, Tamil Nadu | MoU signed |
| Property 2 | mid-priced with 65 rooms business hotel | Chennai, Tamil Nadu | Term Sheet signed |
| Property 3 | mid-priced with 75 rooms business hotel | Kanchipuram, Tamil Nadu | Term Sheet signed |
| Property 4 | mid-priced with 59 rooms business hotel | Hyderabad, Telangana | MoU signed |
| Property 5 | Upper mid-priced with 87 rooms resort | Goa | MoU signed |

An indicative list of such machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

| **Nature of Expense** | **Name of Vendor** | **Date of Quotation** | **Validity of Quotation** | **Total units/ basis of Estimate** | **Total Cost (In ₹ lakhs)** |
|---|---|---|---|---|---|
| **Interior design consultancy, woodworks, electrical works, interior fitouts** | **IDA Interior Design Associates** | **07-Sep-24** | **01-Sep-25** | | **₹ 343.34** |

| | | | | | |
|---|---|---|---|---|---|
| -Carpentry work- Headboard/Small coffee table | | | | Headboard: 119 rooms Coffee table: 140 rooms | |
| -Bathroom Hardware and Fixtures | | | | 140 rooms | |
| -UPHOLSTERY & FABRICS (chairs, curtains, wall papers) | | | | 227 rooms | |
| -ARTWORK/ ACCESSORIES | | | | 346 rooms | |
| - RECEPTION & LIFT LOBBY works | | | | 5 Properties | |
| - Restaurant Civil work, Carpentry, furnitures | | | | 4 Properties | |
| -GYM room work | | | | 5 gyms (1 in each Property) | |
| -Design Fees | | | | 5 Properties | |
| **F&B, Kitchen small and large ware** | **United Glass & Crockery** | **14-Nov-24** | **6 months** | | **₹ 101.65** |
| -Restaurant & Banquet service ware | | | | 2333 pieces (pcs) x 7.5 restaurant count & 24 pcs per banquet x 5 properties | |
| -Kitchen equipments | | | | 92 pcs x 6.5 kitchen count | |
| -Kitchen utensils | | | | 391 pcs x 6.5 kitchen count | |
| **Guest room infra & Banquet furniture** | **Giret International** | **16-Nov-24** | **1 year** | | **₹ 54.37** |
| -1 mini bar, 1 safe locker, 1 hair dryer, 1 electric kettle kit per room | | | | 4 pcs per room x 346 rooms | |
| -Banquet furniture (round & rectangular tables, table cloths, chairs & chair covers) | | | | 246 pcs per banquet x 5 properties | |
| **Conference/Office chairs/table** | **MK Enterprises** | **04-Nov-24** | **1 year** | 60 conference chairs, 63 office chairs, and 5 conference tables | **₹ 6.46** |
| **TV and Wall mounts for guest rooms** | **MB Smart Zone** | **05-Nov-24** | **05-May-25** | 199 Qty (1 each for 199 rooms) | **₹ 23.01** |
| **Conference room TV** | **MB Smart Zone** | **16-Nov-24** | **16-May-25** | 5 Qty (1 each for 5 Conference rooms) | **₹ 0.68** |
| **IT Infrastructure** | **Royal Elite Technologies** | **12-Nov-24** | **6 Months** | 5 servers (1 per property), 9 wifi zones (1 per property, 4 for property 5) | **₹ 11.16** |
| **Banquet Infrastructure** | **Vinayaka Infotech** | **19-Nov-24** | **31-Mar-25** | | **₹ 5.95** |
| - Projector | | | | 5 numbers(nos) (1 per Property) | |
| - Podium | | | | 5 nos (1 per Property) | |
| - Screen | | | | 5 nos (1 per Property) | |
| - Chair Trolley | | | | 10 nos (2 per Property) | |

| | | | | | |
|---|---|---|---|---|---|
| - Other ancilliary Infra such as Hand/Collar Mike, White board/Magnetic Board with Stand and EZAL stand | | | | 7 pcs per banquet x 5 properties | |
| **IT Infrastructure** | **Vinayaka Infotech** | **20-Nov-24** | **31-Mar-25** | | **₹ 11.68** |
| -Desktop | | | | 36 nos. (7 nos. per property 1 to 4 and 8 nos for property 5) | |
| -Laptop | | | | 10 nos. (2 nos. per Property) | |
| -Printer | | | | 10 nos. (2 nos. per Property) | |
| **Reservation & Sales Software (INTERFACE WITH WIFI & CHANNEL MANAGER)** | **IDS** | **20-Nov-24** | **31-Mar-25** | 5 licenses (1 license each for 5 Properties) | **₹ 8.75** |
| **TOTAL** | | | | | **₹ 567.05** |

**Material Approvals**

As the capital expenditure planned by our Company involves the establishment of new hotels, we do not anticipate any requirement for additional material approvals beyond those disclosed under "*Government and Other Approvals*" beginning on page 304 this Red Herring Prospectus. All quotations received from the vendors mentioned above remain valid as of the date of this Red Herring Prospectus. The Company has signed a Memorandum of Understanding for all properties. In the event of an increase in expenditure costs for expansion, any additional expense will be borne by our Company through its internal accruals. The quantity of equipment to be purchased is based on our management's current estimates. Our Company retains the flexibility to allocate such equipment towards capital expenditure or other necessary equipment, as deemed appropriate for business needs, provided that the total expenditure for the expansion of our hotel properties in India does not exceed ₹1,679.24 lakhs.

**3. General Corporate Purposes (GCP)**

The Net Proceeds will first be utilized for the Object as set out above. Our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

i strategic initiatives;
ii funding organic and inorganic growth opportunities, including acquisitions;
iii strengthening marketing capabilities and brand building exercises;
iv funding working capital requirements of our Company;
v meeting ongoing general corporate purposes or contingencies; and/or
vi any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will also be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any. In the event that our Company is unable to utilise the entire amount that our Company has currently estimated for use out of Net Proceeds in a Fiscal, our Company will utilise such unutilised amount in the next Fiscal.

**Estimated Offer Related Expenses**

The total expenses for this Offer are estimated not to exceed ₹ [●] Lakhs which is [●] % of Offer Size. The details of Offer expenses are tabulated below:

*(₹ in Lakhs)*

| Particulars | Amount | % of Total Offer Expenses | % of Total Offer size |
|---|---|---|---|
| Fees payable to the BRLM and commissions including underwriting commission, brokerage and selling commission, as applicable | [●] | [●] | [●] |
| Commission/ processing fees for SCSBs, Sponsor Banks and Bankers to the Offer (1)(2) brokerage, underwriting and selling commission and bidding Charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4)(5)(6) | [●] | [●] | [●] |
| Fees payable to Registrar to the Offer | [●] | [●] | [●] |
| Fees to the legal advisor, audit / chartered accountant fees | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Fees payable to regulators including stock exchange | [●] | [●] | [●] |
| Printing and distribution expenses | [●] | [●] | [●] |
| Fees payable to Industry Report provider | [●] | [●] | [●] |
| Miscellaneous | [●] | [●] | [●] |
| **Total Expenses** | **[●]** | **[●]** | **[●]** |

*Issue expenses include goods and services tax, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.*

*1) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

| | |
|---|---|
| *Portion for RIBs** | *0.20% of the Amount Allotted (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *0.10% of the Amount Allotted (plus applicable taxes)* |

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*
*Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.*

*2) Processing fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / CRTAs / CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for Retail Bidders** | *₹ 10 per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *₹ 10 per valid application (plus applicable taxes)* |

** Processing fees payable to the SCSBs on the ASBA Form for Non-Institutional Bidder and Qualified Institutional*

*Bidders with bids above ₹ 1.00 Lakh would be ₹ 10 plus applicable taxes, per valid Bid cum Application Form*
*Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 0.5 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 0.5 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis for Retail Individual Investors and Non-Institutional Investors, as applicable.*

*3) Brokerage Selling commission and processing/ uploading charges on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate Members, Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers would be as follows:*

| | |
|---|---|
| *Portion for RIBs** | *0.20% of the Amount Allotted (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *0.10% of the Amount Allotted (plus applicable taxes)* |

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

*The Selling Commission payable to the brokers will be determined (i) for RIBs and Non-Institutional Bidders (up to ₹ 5.00 Lakh), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member,' and (ii) for Non-Institutional Bidders (above ₹ 5.0 Lakh), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub-Syndicate Member and not the SCSB.*

*Bidding charges payable to Registered Brokers on the applications made using 3-in-1 accounts, would be ₹ 5 plus applicable taxes, per valid application bid by the Broker. Bidding charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ 5 per valid application (plus applicable taxes). Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ 0.50 lakh (plus applicable taxes). The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.*

*The Selling commission / bidding charges payable to the Registered Brokers on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| *Portion for RIBs and Non-Institutional Bidder* | *₹ 10 per valid application (plus applicable taxes* |
| *Bidding charges / processing fees for applications made by UPI Bidders would be as under* | |
| *Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs* | *₹ 10 per valid application (plus applicable taxes)* |
| *Payable to Sponsor Bank* | *₹ 6.5 per valid application (plus applicable taxes) The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws* |

*The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (4) will be subject to a maximum cap of ₹0.50 lakh (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹0.50 lakh, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹0.50 lakh.*
*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Banks Agreement. The processing fees for applications made by UPI Bidders 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/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/l/M dated March 16, 2021.*

*The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.*

*Further, in terms of SEBI circular no. 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.*

**Firm Arrangements**

The Company intends to finance the entire Objects from the Net Proceeds and internal accruals, there is no requirement to make firm arrangements of finance as prescribed under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means

towards 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing internal accruals and the Company is in compliance with the requirements prescribed under Regulation 230(1)(e) of the SEBI ICDR Regulations.

**Interim Use of Net Proceeds**

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

**Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

**Bridge Financing Facilities**

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

**Appraising entity**

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank or financial institution. The funding requirements of our Company and the deployment of the proceeds of the Offer are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**Monitoring of Utilisation of Funds**

Our Company has appointed Acuite Ratings & Research Limited as the Monitoring Agency to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a particular Fiscal, we will utilize such unutilized amount in the next Fiscal. Further, in accordance with Regulation 32(1)(a) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

**Variations 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 Promoters 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**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process. Furthermore, the Price Band has been determined by our Company in consultation with the Book Running Lead Manager on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and Floor Price is 10.70 times of the face value and the Cap Price is 11.30 times of the face value.

Investors should refer to "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 38,162 , 234 and 268, respectively, of this Red Herring Prospectus to have an informed view before making an investment decision.

**Qualitative Factors**

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

Qualitative Factors Favouring the Company:

- Lowest Entry Cost per Key: Over the years, the Company has perfected its model to set up rooms at the lowest cost in a timely manner, managing approximately 40 to 100 rooms per hotel.

- High Occupancy Rates: The Company collaborates with a wide range of marketing partners and establishes direct relationships with corporate clients, leading to high occupancy rates and reasonable per-room profitability.

- Cost Control on Room Operating Expenses: The Company has developed a unique model to ensure low costs for operating and servicing rooms and restaurants, while maintaining guest comfort and convenience.

For further details, refer section titled "*Risk Factors*" and "*Our Business*" on pages 38 and 162, respectively of this Red Herring Prospectus.

**Quantitative Factors:**

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

**1. Basic and Diluted Earnings per share (EPS), as adjusted for changes in capital (Post Bonus)**

**(in ₹)**

| Fiscal | Basic EPS | Diluted EPS | Weight |
|---|---|---|---|
| March 31, 2022 | (0.53) | (0.53) | 1 |
| March 31, 2023 | 0.70 | 0.70 | 2 |
| March 31, 2024 | 2.54 | 2.54 | 3 |
| Weighted Average | **1.42** | **1.42** | **-** |
| Period ended September 30, 2024 (*Not Annualised*) | **3.74** | **3.74** | **-** |

*Notes:*

*a) The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.*

*b) The face value of each Equity share is ₹10.*

*c) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

*d) Basic Earnings Per Share = Restated Net Profit after tax / Weighted average number of equity shares outstanding during the year or period.*

*e) Diluted Earnings Per Share = Restated Net Profit after tax / Weighted average number of diluted potential equity shares outstanding during the year or period.*

*f) Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 "Earnings per Share", notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014*

**2. Price/ Earning (P/E) Ratio in relation to the Price Band of ₹ 107 to ₹ 113 per equity share:**

| Particulars | (P/E) Ratio at the lower end of the Floor Price (no. of times)[$] | (P/E) Ratio at the higher end of the Price Band (no. of times) [$] |
|---|---|---|
| Based on Basic and Diluted EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2024 | 42.13 | 44.49 |
| Based on Weighted Average Basic and Diluted EPS | 75.35 | 79.58 |

*[$]As certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, by way of their certificate dated March 13, 2025.*

**3. Industry Peer Group P/E ratio**

| Particulars | P/E Ratio |
|---|---|
| Highest | 67.79 |
| Lowest | 21.99 |
| Average | 44.89 |

**P/E ratio for the peer group has been computed based on the closing market price of equity shares on BSE Limited as on March 12, 2025, divided by the diluted EPS for financial year ended March 31, 2024.*

**4. Average Return on Net Worth (RoNW)**

| Fiscal | RoNW (%)[$] | Weight[$] |
|---|---|---|
| March 31, 2022* | 64.17 | 1 |
| March 31, 2023# | (198.10) | 2 |
| March 31, 2024 | 26.67 | 3 |
| **Weighted Average**** | (42.00) | - |
| Period ended September 30, 2024 (*Not Annualised*) | 17.74 | - |

*Notes:*

*a) RoNW has been computed by dividing restated net profit after tax [excluding minority interest] with the average restated Net worth of beginning and the end of the year / period*

*b) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights.*

** The value of RoNW (%) in FY 22 is a positive figure due to arithmetical reasons, Since the average restated Net worth and Net profit after tax both are negative.*

*#The value of RoNW (%) in FY 23 is a negative figure due to arithmetical reasons is a negative figure, Since the average restated Net worth is Negative but the Net profit after tax is a positive figure.*

*** Weighted Average RoNW (%) is negative due to arithmetical reasons, because the weight of Negative RoNW in FY 23 being more compared to the other years.*

*[$]As certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, by way of their certificate dated March 13, 2025.*

**5. <u>Net Asset Value (NAV) per Equity Share (Face Value of ₹10 each)</u>**

| Particulars | NAV (₹)[$] |
|---|---|
| Year Ended March 31, 2022 | (16.16) |
| Year Ended March 31, 2023 | 5.81 |
| Year Ended March 31, 2024 | 75.17 |
| Six-month period ended September 30, 2024 (*Not Annualised*) | 21.53 |
| NAV per Equity Share at Floor Price | 43.01 |
| NAV per Equity Share at Cap Price | 44.51 |
| Offer Price per share* | **[●]** |

***To be updated at Prospectus*

*$As certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, by way of their certificate dated March 13, 2025.*

**Note:**

*a) NAV per equity share =Restated Net worth at the end of the year (or period) / number of Equity shares outstanding at the end of the year / period.*

*b) Net worth is computed as the sum of the aggregate of paid-up Equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares*

**6. Comparison of Accounting Ratios with Listed Industry Peers:**

The comparison of Accounting Ratios with Listed industry peers is given below:

| Name of the Company | Current Market Price (₹) | Face Value (₹) | Basic EPS (₹) | Diluted EPS (₹) | P/E (x) times | RoNW(%) | Net Asset Value per share (₹) |
|---|---|---|---|---|---|---|---|
| Grand Continent Hotels Limited | [●]# | 10 | 2.54 | 2.54 | [●]# | 26.67% | 75.17 |
| ***Peer Group*** | | | | | | | |
| Lemon Tree Hotels Limited | 127.45 * | 10 | 1.88 | 1.88 | 67.79 | 12.28% | 19.52 |
| Sayaji Hotels Limited | 264.85* | 10 | 8.18 | 8.18 | 32.38 | 7.04% | 90.49 |
| Royal Orchids Hotels Limited | 388.85* | 10 | 17.68 | 17.68 | 21.99 | 25.09% | 75.88 |

**as on March 12, 2025 taken from www.bseindia.com*

*# to be determined at Prospectus stage*

*Notes:*

*(a) The figures for our company are based on Restated Consolidated Financial Statements for the period ended March 31, 2024.*

*(b) The figures for the Peer Group are based on / computed based on the Consolidated Financial Statements for the year ended March 31, 2024.*

*(c) Current Market Price (CMP) is the closing price as on March 12, 2025, and is sourced from www.bseindia.com. For the company, CMP = Offer Price.*

*(d) P/E ratio for the peer group has been computed based on the closing market price of equity shares on BSE Limited as on March 12, 2025, divided by the diluted EPS for financial year ended March 31, 2024.*

*(e) RoNW has been computed by dividing restated net profit after tax with the average restated Net worth of beginning and the end of the year / period.*

*(f) The face value of the Equity Shares is ₹10/- per share.*

*(g) Listed peers are as identified by us on the basis of similar line of business with the Company.*

*(h) Net assets value per share has been computed by dividing Net Worth at the end of the period or year with total number of equity shares outstanding at the end of the period or year.*

**Key Performance Indicators (KPIs)**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analysing the growth in comparison to our peers. The KPIs disclosed below have been approved, by a resolution of our Audit Committee dated March 13, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our 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 the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated March 13, 2025. 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 Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**KEY OPERATIONAL DATA**

The following table sets out our key operational data as of/for the years indicated. All operational data below is provided as for the six-month period ended September 30, 2024, and as at March 31, 2024, March 31, 2023 and March 31, 2022, respectively (other than ARR, Occupancy and RevPAR which are provided for FY 2024, FY 2023 and FY 2022, respectively).

| Details | Six month ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Total Number of hospitality assets* | **16** | **12** | **7** | **5** |
| *Total Number of keys* | **753** | **531** | **329** | **192** |
| | | | | |
| **Hospitality Assets – Upper Mid-Priced** | | | | |
| *Number of hospitality assets* | *4* | *3* | *1* | *0* |
| *Number of keys* | *218* | *180* | *88* | *n/a* |
| *Occupancy (%) (1)* | *55.82%* | *67.18%* | *3.38% (4)* | *n/a* |
| *ARR (₹) (2)* | *3,969.02(5)* | *3,883.51* | *3,971.15* | *n/a* |
| *RevPAR (₹) (3)* | *2,215.52* | *2,609.10* | *134.09* | *n/a* |
| | | | | |
| **Hospitality Assets – Mid Priced** | | | | |
| *Number of hospitality assets* | *11* | *8* | *5* | *4* |
| *Number of keys* | *511* | *327* | *217* | *168* |
| *Occupancy (%) (1)* | *73.90%* | *73.28%* | *77.74%* | *59.65%* |
| *ARR (₹) (2)* | *3,512.61(6)* | *3,409.85* | *2,783.77* | *1,971.63* |
| *RevPAR (₹) (3)* | *2,595.86* | *2,498.68* | *2,164.08* | *1,176.16* |
| | | | | |
| **Hospitality Assets – Economy** | | | | |
| *Number of hospitality assets* | *1* | *1* | *1* | *1* |
| *Number of keys* | *24* | *24* | *24* | *24* |
| *Occupancy (%) (1)* | *76.31%* | *77.91%* | *68.92%* | *68.08%* |
| *ARR (₹) (2)* | *1,549.79* | *1,467.90* | *1,471.43* | *911.47* |
| *RevPAR (₹) (3)* | *1,182.72* | *1,143.71* | *1,014.04* | *620.55* |

*Notes*

*(1) Occupancy = Total room nights sold during a relevant year/period divided by the total available room nights during the same year/period.*

*(2) Average room rate (ARR) = being room revenues during a given year/period divided by total number of room nights sold in that year/period.*

*(3) RevPAR = calculated as Average Room Revenue for a relevant period multiplied by Average Occupancy Rate for that period.*

*(4) Property went live on 24th February 2023 with a total of 104 room nights billed for FY 2023.*

*(5) One of the four hospitality properties classified as "Upper Mid-Priced" and accounting for 38 keys were active for less than six months during Six months period ended September 30, 2024.*

*(6) Three of the eleven hospitality properties classified as "Mid-Priced" and accounting for 184 keys were active for less than six months during Six months period ended September 30, 2024.*

**KPI Description**

| KPI | DESCRIPTIOM |
|---|---|
| Total Keys | Total keys refer to the number of rooms in our portfolio during the relevant period/year. |
| Total Income (₹ in Lakh) | Total Income is used by Management to track the performance and growth of the Company. |
| Total Income Growth (Y-o-Y) | The hotel industry's total income is expected to grow over a period of two years. |
| EBITDA | EBITDA gives a comprehensive view of the health of the company as it considers all sources of Operating Income. It's the aggregate of the consolidated restated profit before tax, depreciation and amortisation expense and finance costs, less other income, for the relevant year. |
| EBITDA margin | EBITDA Margin is a financial ratio that measures the profitability of the company as a percentage of its Revenue from Operations |
| EBITDA/Key | EBITDA/ key is an indicator of the operational efficiency of our business measured per unit of inventory. |
| Restated Profit / (loss) for year | Profit after Tax gives the overall profitability of business. |
| Restated profit/(loss) for the year Margin | PAT Margin is a ratio that measures the profitability of the company as a percentage of its Total Revenue |
| Net debt | Net debt provides information regarding the leverage and liquidity profile of our Company |
| Total Equity | Total equity, also known as shareholders' equity, net worth |
| Net Debt / Total Equity | Net borrowings to total equity is a measure of our Company's leverage over equity invested and earnings retained over time. |
| Net debt / EBITDA | The net debt-to-EBITDA ratio is a financial metric that measures a company's leverage and ability to pay off its debt. |
| Total assets | Total assets are the sum of all assets owned by a company or individual, and is a key indicator of a company's financial health |
| Total Borrowings | Total borrowings are the total amount of liabilities that a company has from borrowing money from banks and other financial institutions |
| Total Borrowings / Total Assets | Total debt-to-total assets ratio, shows how much of a company's assets are financed by debt. |

*As approved by resolution of the Audit Committee of our Board dated March 13, 2025 and as certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated March 13, 2025.*

**KEY FINANCIAL DATA**

| Details | Unit | As at and for Six months period ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|---|
| Total Keys | Number | 753 | 531 | 329 | 192 |
| Revenue from Operations | (₹ in Lakh) | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Total Income[(1)] | (₹ in Lakh) | 3,186.32 | 3,153.16 | 1,704.70 | 602.73 |
| Total Income Growth (Y-o-Y)[(2)] | % | NA | 84.97% | 182.83% | 110.40% |

| | | | | | |
|---|---|---|---|---|---|
| EBITDA[(3)] | (₹ in Lakh) | 1,124.60 | 986.48 | 625.31 | 238.44 |
| EBITDA margin[(4)] | % | 35.32% | 31.58% | 37.22% | 39.56% |
| EBITDA/Key[(5)] | (₹ in Lakh) | 1.49 | 1.86 | 1.90 | 1.24 |
| Restated Profit / (loss) for year [(6)] | (₹ in Lakh) | 622.37 | 407.77 | 103.49 | (79.29) |
| Restated profit/(loss) for the year Margin[(7)] | % | 19.53% | 12.93% | 6.07% | (13.16) % |
| Net debt[(8)] | (₹ in Lakh) | 3,294.21 | 2,653.19 | 3,661.48 | 3,430.15 |
| Total Equity[(9)] | (₹ in Lakh) | 4,101.46 | 2,999.33 | 58.73 | (163.21) |
| Net Debt / Total Equity[(10)] | Number | 0.80 | 0.88 | 62.34 | (21.02) |
| Net debt / EBITDA[(11)] | Number | 2.93 | 2.69 | 5.86 | 14.39 |
| Total assets[(12)] | (₹ in Lakh) | 9,793.63 | 7,391.43 | 4,226.10 | 3,436.58 |
| Total Borrowings[(13)] | (₹ in Lakh) | 4,022.23 | 3,496.26 | 3,706.58 | 3,472.33 |
| Total Borrowings / Total Assets[(14)] | Number | 0.41 | 0.47 | 0.88 | 1.01 |

*Notes*

*(1) Total income means the sum of revenue from operations and other income.*
*(2) Total Income Growth (%) is calculated as a percentage of total income of the relevant year/period minus Total Income of the preceding year/period, divided by total income of the preceding year/period.*
*(3) EBITDA =Profit before Tax + finance costs + depreciation and amortisation expense + exceptional loss less Other Income.*
*(4) EBITDA margin (%) = EBITDA divided by Revenue from Operations.*
*(5) EBITDA / key= EBITDA divided by average number of keys during the year/period.*
*(6) Restated profit / (loss) for the period/ year = Total Income less Total Expenses less Total Tax expenses for the year/period and adjustment for minority Interest.*
*(7) Restated profit/(loss) margin for the period/ year Margin (%) = Restated profit/(loss) for the year/period divided by the total income for the year/period.*
*(8) Net debt = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents*
*(9) Total Equity = Equity Share Capital + Other Equity*
*(10) Net Debt / Total Equity = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / Shareholders equity*
*(11) Net debt / EBITDA = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / EBITDA*
*(12) Total Assets = Non-current assets + Current assets*
*(13) Total Borrowings = Long Term Borrowings + Short Term Borrowings*
*(14) Total Borrowings / Total Assets = Long Term Borrowings + Short Term Borrowings divided by non-current assets + Current assets*

**Comparison of key performance of indicators with listed industry peer:**

We follow an asset light model with properties under direct lease model and operates in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. Other than disclosed below, we do not perceive any listed peer, Indian or otherwise, of a comparable size from the same industry and with similar business model.

| Particulars | Unit | Grand Continent Hotels Limited | | | Lemon Tree Limited | | | Sayaji Hotels Limited | | | Royal Orchids Hotels Limited | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2024 | FY 2023 | FY 2022 | FY 2024 | FY 2023 | FY 2022 | FY 2024 | FY 2023 | FY 2022 | FY 2024 | FY 2023 | FY 2022 |
| Revenue from Operations | (₹ in Lakh) | 3,123.69 | 1,680.15 | 602.69 | 1,07,112.29 | 87,498.95 | 40,224.01 | 11,176.32 | 11,498.21 | 16,314.92 | 29,361.05 | 26,354.88 | 13,852.39 |
| Total Income | (₹ in Lakh) | 3,153.16 | 1,704.70 | 602.73 | 1,08,361.44 | 88,374.01 | 42,322.92 | 11,662.40 | 11,813.89 | 17,199.92 | 31,269.92 | 27,968.76 | 15,593.13 |
| Total Income Growth (Y-o-Y) | % | 84.97% | 182.83% | 110.40% | 22.62% | 108.81% | 59.72% | (1.28) % | (31.31) % | 97.83% | 11.80% | 79.37% | 75.52% |
| EBITDA (₹ in lakhs) | (₹ in Lakh) | 986.48 | 625.31 | 238.44 | 52,324.19 | 44,756.69 | 11,866.25 | 3,716.12 | 3,312.76 | 4,734.42 | 7,607.13 | 8,188.66 | 2,295.15 |
| EBITDA Margin (%) | % | 31.58% | 37.22% | 39.56% | 48.85% | 51.15% | 29.50% | 33.25% | 28.81% | 29.02% | 25.91% | 31.07% | 16.57% |
| PAT | (₹ in Lakh) | 411.5 | 104.87 | (79.29) | 18,170.66 | 14,054.00 | (13,736.17) | 1,433.66 | 3,509.49 | 3,305.28 | 5,082.35 | 4,922.31 | 2,678.46 |
| Growth (%) | % | 292.39% | 232.26% | 64.84% | 29.29% | 202.31% | 26.36% | (59.15)% | 6.18% | 162.90% | 3.25% | 83.77% | 166.94% |
| PAT Margin | % | 13.05% | 6.15% | (13.16) % | 16.77% | 15.90% | (32.46)% | 12.29% | 29.71% | 19.22% | 16.25% | 17.60% | 17.18% |
| EPS | (₹) | 2.54 | 0.70 | (0.53) | 1.88 | 1.45 | (1.11) | 8.18 | 18.66 | 18.3 | 17.68 | 17.15 | 10.71 |
| Return on Equity (ROE) | times | 0.25 | (67.66) | 0.64 | 0.12 | 0.10 | (0.09) | 0.07 | 0.15 | 0.21 | 0.25 | 0.29 | 0.17 |
| PE Ratio | Number | NA | NA | NA | 69.55 | 53.30 | (57.21) | 35.09 | 16.45 | 15.01 | 20.49 | 15.78 | 11.41 |
| Net debt | (₹ in Lakh) | 2,653.19 | 3,661.48 | 3,430.15 | 1,85,547.23 | 1,72,204.71 | 1,64,436.34 | (231.14) | 1,909.88 | 2,109.00 | 4,323.04 | 3,491.10 | 6,142.33 |
| Total Equity (Networth) | (₹ in Lakh) | 2,999.33 | 58.73 | (163.21) | 96,689.03 | 85,372.77 | 83,124.88 | 15,852.07 | 24,898.07 | 21,486.58 | 19,073.99 | 17,296.65 | 12,519.46 |
| Net Debt / Total Equity | Number | 0.88 | 62.34 | (21.02) | 1.92 | 2.02 | 1.98 | (0.01) | 0.08 | 0.10 | 0.23 | 0.20 | 0.49 |
| Last Trading Price of the Year | | NA | NA | NA | 130.75 | 77.28 | 63.5 | 287.05 | 307.05 | 274.6 | 362.2 | 270.7 | 122.25 |
| No. of Shares (in Lakhs) | | 39.90 | 10.10 | 10.10 | 7,922.46 | 7,922.46 | 7,922.46 | 175.18 | 175.18 | 175.18 | 274.25 | 274.25 | 274.25 |
| NAV per share | | 75.17 | 5.81 | (16.16) | 12.20 | 10.78 | 10.49 | 90.49 | 142.13 | 122.65 | 69.55 | 63.07 | 45.65 |

*Note:*

1) *Financial Information of our Company is taken from Restated Consolidated Financial Statements.*
2) *Financial information for listed industry peers mentioned above is sourced from the Annual report of Peer for the Fiscal 2024, 2023 and 2022.*
3) *Average Equity is considered for ROE Calculation*.

**Comparison of KPIs over time based on additions or dispositions to the business**

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

**Weighted average cost of acquisition, Floor price and cap price**

***i. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary Transaction of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this 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-Offer 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 ("Primary Transactions")***

| Date of Allotment | Nature of Transaction | Nature of Consideration | Issue Price per Equity Share | Face value per Equity Shares | No. of Equity shares | Cost per Equity Share (including securities premium) (₹) | Total Consideration (₹) |
|---|---|---|---|---|---|---|---|
| September 29, 2023 | Conversion from Loan to Equity | Consideration other than Cash | 14 | 10 | 21,44,000 | 14 | 3,00,16,000 |
| **WACA** | | | | | | **14** | |

***ii. Price per share of*** our ***Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, any of the Promoter Selling Shareholder or other Shareholders of our Company with rights to nominate directors on our Board during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer 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 ("Secondary Transactions")***

**Nil^**

*^As certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, Statutory Auditors of our Company, by way of their certificate dated March 13, 2025.*

***iii. If there are no such transactions to report under (i) and (ii) above, the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where our Promoters, members of the Promoter Group, Selling Shareholder or other Shareholder(s) having the right to nominate director(s) on our Board, are***

***a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions***

**Not Applicable^**

*^As certified by M/s Bhuta Shah & Co LLP, Chartered Accountants, Statutory Auditors of our Company, by way of their certificate dated March 13, 2025.*

**Weighted average cost of acquisition, floor price and cap price**

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Share) | Floor price (i.e., ₹ 107) | Cap price (i.e., ₹ 113) |
|---|---|---|---|
| WACA of Primary Transactions | 14 | 7.64 | 8.07 |
| WACA of Secondary Transactions | Nil | Nil | Nil |

**The Offer Price is [●] times of the face value of the equity shares**

The face value of our share is ₹10/- per share and the Offer Price is of ₹[●] per share are [●] times of the face value. Our Company in consultation with the Book Running Lead Manager believes that the Offer Price of ₹[●] per share for the Public Offer is justified in view of the above quantitative and qualitative parameters. Investor should read the abovementioned information along with the section titled "*Risk Factors*" beginning on page 38 of this Red Herring Prospectus and the financials of our Company as set out in the section titled "*Restated Consolidated Financial Statements*" beginning on page 234 of this Red Herring Prospectus.

## STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
S No. 245/1A/1B, Venpursham Village, Veeralapakkam,
Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram,
Tirukalikundram - 603110, Tamil Nadu, India.

**INDORIENT FINANCIAL SERVICES LIMITED**
B/805, Rustomjee Central Park,
Andheri Kurla Road, Chakala, Mumbai – 400093,
Maharashtra, India.

(the "**Lead Manager**")

**Ref: Proposed initial public offering of equity shares of face value of ₹10 each (the "Equity Shares") of Grand Continent Hotels Limited (formerly known as Grand Continent Hotels Private Limited) (the "Company"/ "the "Issuer") comprising a fresh issue of the Equity Shares by the Company (the "Fresh Issue") and offer for sale of Equity Shares by the Promoter Selling Shareholder (the "Offer for Sale", and together with the Fresh Issue, the "Offer").**

**Sub: Statement of Special Tax Benefits ('The Statement') available to Grand Continent Hotels Limited ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India.**

This report is issued in accordance with the engagement letter dated September 11, 2024.

We hereby confirm that the enclosed annexure of the Statement prepared by the management of the Company, states the possible special tax benefits available to the Company and its shareholders under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") and Customs Act, 1962, presently in force in India as on the signing date (collectively the "Act"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill. The Company does not have any material subsidiary.

The benefits discussed in the Statement enclosed under Annexure cover only possible special tax benefits available to the Company, its shareholders and do not cover any general tax benefits available to the Company, its shareholders. Further, the preparation of enclosed Statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this 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 the 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 proposed initial public offering of Equity shares by the Company.

We conducted our examination in accordance with the "Guidance Note on Reports or certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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 do not express any opinion or provide any assurance as to whether:

a) The Company or its shareholders will continue to obtain these possible special tax benefits in future; or

b) The conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited them.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We do not assume responsibility to update the views consequent to such changes. Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the draft red herring prospectus, red herring prospectus, prospectus and in any other material used in connection with the Offer ("**Offer Document**") and is not to be used, referred to or distributed for any other purpose without our prior written consent.

We also consent to the references to us as "experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Offer Document.

This certificate can be relied on by the Company, the Lead Manager and the legal counsel to the Offer and the Lead Manager appointed in relation to the Offer. We hereby consent to this certificate being disclosed by the Lead Manager, 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 defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Offer commences trading on the relevant stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date on which the Equity Shares commence trading on the relevant stock exchange.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Document.

**For Bhuta Shah and Co LLP**
*Chartered Accountants*
Firm's Registration No: 101474W / W100100

**Jay Jhaveri**
*Partner*
Membership No: 134864
UDIN: 2413486BKBNNW4902
Date: November 19, 2024
Place: Mumbai

**Annexure**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")**

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

**UNDER THE TAX LAWS**

**A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

**DIRECT TAX LAWS**

**Income arising from the business of Infrastructure facilities (Section 80IA of the IT Act)**

As per the provisions of section 80-IA of the IT Act (under Chapter VI-A), the Company, engaged in the business of developing or operating and maintaining or developing, operating and maintaining an infrastructure facility, are eligible for a deduction of 100 percent of its profits for a period of 10 consecutive years, subject to fulfilment of the conditions stipulated therein.

The Company is in the business of hospitality (Owning and Development of Hotels) which is entitled to claim a deduction, subject to compliance of conditions laid down therein, to the extent of 100 percent of the profits derived from business of hospitality as per Section 80-IA (4) (iv) of the Income-tax Act (the IT Act) for ten consecutive years out of first fifteen years from the beginning of the operation, under the IT Act.

Tax Benefits under Section 35AD of the IT Act Section 35AD of the IT Act provides for deduction of 100 percent of the expenditure of capital nature, which is incurred wholly and exclusively for the purpose of any specified business carried on by the Company during the previous year in which such expenditure is incurred subject to specified conditions. The specified business has been inter-alia defined to include building and operating, anywhere in India, a hotel of two star or above category as classified by the Central Government.

**MAT Credit**

Minimum Alternative Tax ('**MAT**') is payable by a company when the income-tax payable on the total income as computed under the IT Act is less than 15% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the specified method.

As per Section 115JAA of the IT Act, certain tax paid as per MAT provisions (i.e. section 115JB of the IT Act) could be allowed as credit for taxes payable in succeeding years under the general provisions of the IT Act. The eligible credit for carry forward is the difference between MAT and the tax computed as per the general provisions of the IT Act. Such tax credit shall not be available for set-off beyond 15 assessment years succeeding the assessment year in which the tax credit becomes available. The Company shall be eligible to 'set-off' the tax credit only to the extent of the difference between the tax payable under the general provisions of the IT Act and MAT in that year.

**Concessional Tax Rate under section 115BAA**

Concessional corporate tax rate under Section 115BAA of the IT Act In terms of section 115BAA of the IT Act, domestic companies are entitled to avail a concessional tax rate of 22% (plus 10% surcharge and 4% cess) on fulfillment of certain conditions. The option to apply this tax rate was available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing specified deductions.

Further, provisions of MAT under section 115JB of the IT Act shall not be applicable to companies availing this tax rate, thus, any carried forward MAT credit also cannot be claimed.

- **Deduction under Section 80JJAA of the Income-tax Act, 1961 ("the Act")**

Subject to fulfilment of prescribed conditions, the Company (subject to tax audit under section 44AB of the Act) is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

- **Section 80M of the IT Act**

Under Section 80M of the Act, in respect of dividend received by the Company from any other domestic company or a foreign company or a business trust and included in the Company's total income, a deduction is available to the Company of an amount equal to so much of the dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by the Company on or before one month prior to due date of furnishing the income-tax return for the relevant year.

- **Deduction under section 35D of the IT Act**

The Company is entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under section 35D of the Act, subject to the limit specified in section 35D (3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation. The aforesaid deduction is not available while computing MAT liability of the Company under section 115JB of the Act. In accordance with and subject to fulfilment of conditions as laid out under section 35D of the Act, the Company has an option to claim such expenses as allowable expenditure in the computation of taxable income while filing appropriate tax returns in India.

- **Buy-back taxation aspect w.e.f. 01 October 2024**

With effect from 1st October 2024, it is proposed that any buyback undertaken by the Company would be not taxable in the hands of the Company, but instead the gross buyback proceeds shall be taxable in the hands of the shareholders as deemed dividend at applicable tax rates. For resident shareholders, the Company shall withhold tax at the rate of 10% under section 194 of the Act. For non-resident shareholders, the Company shall withhold tax at the rate of 20% under Section 195 of the Act. It needs to be analysed whether the beneficial dividend tax rate under the Double Taxation Avoidance Agreement ("DTAA") can be availed.

**INDIRECT TAX LAWS**

**There are no special tax benefits available to the Company under Indirect Tax Laws.**

**B. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS**

- **Taxability of dividend income in hands of shareholders**

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons (AOP), Body of Individuals (BOI), whether incorporated or not and every artificial juridical person, surcharge on such tax would be restricted to 15%, irrespective of the amount of total income.

Following are the rates applicable on sale of listed equity shares on recognised stock exchange in India as per Finance (No. 2) Act, 2024 for sale of equity shares taking place on or after 23 July 2024

| Particulars | Long Term | Short Term |
|---|---|---|
| Tax rate | 12.5% (plus applicable surcharge and cess) | 20% (plus applicable surcharge and cess) |
| Period of holding | More than 12 months | Less than or equal to 12 months |
| Basic exemption limit | INR 1,25,000 | - |

In case of non-resident (not being a company) or a foreign company, the amount of income tax on long term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 12.5% without giving effect to the first and second proviso to section 48 of the Act.

Further, where the tax is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48 of the Act.

The gross proceeds from buy-back of equity share shall be taxable in the hands of shareholder as dividend income. The sale proceeds for computation of capital gain on buy-back of shares shall be Nil.

Any income by way of capital gains or dividend accruing to non-residents may be subject to withholding tax per the provisions of the IT Act or under the relevant DTAA, whichever is beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

As per Section 115BAC of the IT Act, subject to conditions an option to opt for simplified/new tax regime is available to individuals and Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person is available. Certain additional benefits have been provided which are listed as under:

- Basic exemption limit has increased from INR 250,000 to INR 3,00,000;
- Highest applicable surcharge on income above has been reduced from 37% to 25%;
- Income threshold for the tax rebate available for resident individuals has been increased from INR 5,00,000 to INR 7,00,000;

It may be noted that the shareholders have the discretion to exercise the simplified tax regime. Except the above, there are no other possible special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

**NOTES:**

1. The above is as per the current Tax Laws prevalent as on the date of issuance of this certificate.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

4. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

5. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the 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.

6. The stated benefits will be available only to the sole/ first named holder in case the equity shares are held by joint holders.

7. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

8. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.

9. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.

10. 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.

**For Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**

**Ramesh Siva**
**DIN:-** 02449456
***Director***
**Date:-** November 19, 2024

## SECTION VIII: ABOUT THE ISSUER

## OUR INDUSTRY

*Unless otherwise indicated, the industry and market data contained in this Red Herring Prospectus is derived from the "Ken Research Report", which has been commissioned by our Company. We have received the consent to use the extracts from this report vide Consent Letter dated September 26, 2024. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Ken Research Report and included herein with respect to any particular year, refers to such information for the relevant calendar year.*

### INDUSTRY OVERVIEW

### Global Macroeconomic Outlook

The global economy has shown remarkable resilience as it bounces back from the challenges posed by the COVID-19 pandemic. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia's war in Ukraine, and increasing geo-economic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events.

According to the International Monetary Fund (IMF)'s World Economic Outlook growth projections, the global economic growth for CY23 was 4.1% year-on-year (y-o-y), up from 3.8% in CY22 (Figure 2.1) due to recovery from the COVID-19 pandemic, fiscal and monetary stimulus, stabilized supply chains, increased consumer spending, digital transformation, a rebound in international trade, and renewed business investments in technology and healthcare. The global economic growth for CY24 is projected to stand at 4.5%, attributed to growth resilience in major economies driven by high government and private spending, rapidly subsiding inflation rates, and advanced economies easing their fiscal policies. Global inflation is forecast to decline steadily, from 6.2%in 2023 to 5.3% in 2024 and 4.0% in 2025.

For advanced economies, growth is expected to slow down from 5.5% in 2023 to 4.0% in 2024. The United States, the world's largest economy, is expected to see a drop in GDP growth from 6.3% in 2023 to 5.2% in 2024. Consumer spending, a key driver of its economy, is likely to weaken due to various factors, including high interest rates and a softening labor market. The Euro area experienced a significant growth of 9.0% in 2023 and is expected to stabilize at 3.4% growth rate in 2024 & 2025 after a decline of 3.6% in 2022. This recovery is underpinned by stronger household consumption as the impact of energy price shocks diminishes, coupled with a decrease in inflation, thereby bolstering real income growth. Japan & Germany also face significant economic headwinds, with growth rates forecasted at -2.4% & 2.9% respectively in 2024.

**Global nominal GDP has grown at a CAGR of 4.6% over the past five years (**Figure 2.1**). Three years post the largest economic shock, recovery continues with widening regional growth disparities.**

Figure 2.1 Global GDP (at current prices) Outlook, 2019-2029F

*Source: Ken Research Analysis and Word Economic Outlook, 2024 (IMF)*
*Note: F represents Forecasted figures*

**INDIAN ECONOMIC OUTLOOK**

**GDP Growth and Outlook**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Figure 2.3 India's GDP (at current prices) Outlook, in INR Tn FY20-FY30F

*Source: Ministry of Statistics and Programme Implementation (MoSPI), Word Economic Outlook, 2024 (IMF), Ken Research Analysis;*
*Note: F represents Forecasted figures, FY represents the Financial Year ending on March 31*

**Sectoral Gross Value Addition Composition Of the three major sectors, the service sector has been the fastest-growing sector in the last 5 years registering a CAGR of 9.8%.**

Figure 2.9 Sectoral Gross Value Addition to Indian Economy in INR Tn and Growth Scenario, FY20-FY24

*Source: Ministry of Statistics and Programme Implementation (MoSPI) & Ken Research Analysis*
*Note: FY represents the Financial Year ending on March 31*

The agriculture sector was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year, which affected agricultural performance. FY20 witnessed growth on account of improved production.

During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods, leading to high food inflation and an adverse initial impact on some major agricultural exports. Performance remained steady in FY22.

In FY23, the agriculture (including livestock, forestry & fishing) sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops. It clocked a growth of 9.4% y-o-y, garnering INR 44.8 trillion. In FY24, this sector expanded at a slower pace of 5.4%, with the weakest monsoon experience caused by El Nino conditions (Figure 2.9).

In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for the PM-Formalisation of Micro Food Processing Enterprises scheme has increased from INR 639 crores in FY24 to INR 880 crores in FY25.

The industrial sector witnessed a CAGR of 9.8% for the period FY16 to FY19. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector experienced turbulence due to the pandemic, recording growth rates of -1.0% and 0.9% respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered y-o-y growth of 25.2% in FY22.

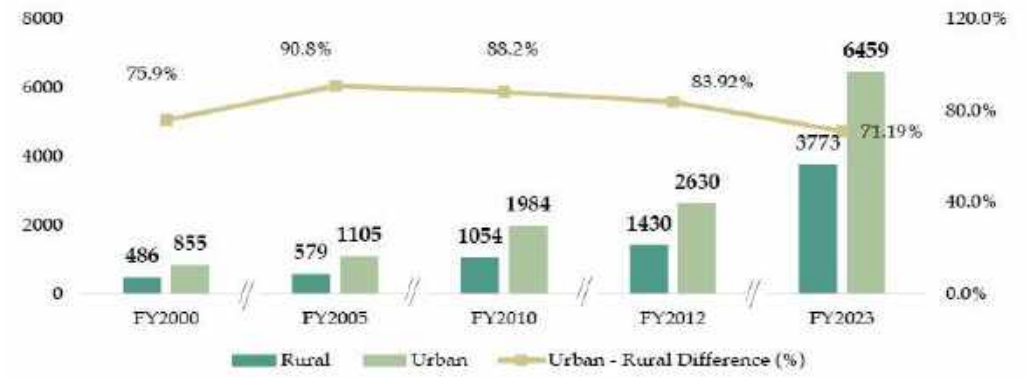
The industrial output in FY23 grew by 9.1%, with an estimated value of INR 68.1 trillion, owing to a rebound in manufacturing activities and healthy growth in the construction sector. The industrial sector grew by 8.5% in FY24 owing to positive business optimism and strong growth in new orders that supported manufacturing output. (Figure 2.9) The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, and petroleum witnessed higher production growth during the quarter.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth.

**The Services sector recorded a CAGR of 11.2% for the period FY16 to FY20, led by trade, hotels, transport, communication, services related to broadcasting, finance, real estate, and professional services.** This sector was the hardest hit by the pandemic and registered an 5.5% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with y-o-y growth of 18.6% and 18.3% witnessed in FY22 and FY23 respectively.

Overall, in FY24, benefiting from pent-up demand, the service sector was valued at INR 146.4 trillion and registered growth of 9.6% y-o-y. (Figure 2.9) Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace, gaining from strength in discretionary demand.

Figure 2.11 Average Monthly Per Capita Consumption Expenditure (MPCE) in INR, Current Prices




*Source: Ministry of Statistics and Programme Implementation (MoSPI) & Ken Research Analysis*
*Note: FY represents the Financial Year ending on March 31*

The bottom 5% of India's rural population, ranked by MPCE, has an average MPCE of INR 1,373 while it is INR 2,001 for the same category of population in the urban areas. (Figure 2.11)

## INDIA HOTELS INDUSTRY LANDSCAPE AND POSITIONING OF MID-SCALE HOTELS

India's hotel industry has witnessed a robust turnaround in demand after the pandemic, led by the rising discretionary spending on tours and travels, revenge tourism, improving economic environment fuelling corporate travels and revival of mega wedding season and other cultural events.

**As of 2023, India has over 400,000 keys including branded hotels and independently run hotels**. Of this, the current branded inventory market size as of 2023 stands at ~180,000, accounting for around 44% of the overall market.

Figure 4.1 India Hotels Industry KPIs, 2023

| | Rooms Supply | Occupancy Rate | Average Daily Rate |
|---|---|---|---|
| Overall Market | ~400,000 | 63 - 64% | INR 6,000-6,500 |
| Branded Hotels | ~180,000 | 63 - 64% | INR 7,400-7,600 |
| Independent Hotels | ~230,000 | 62 - 63% | INR 4,800-5,000 |

*Source: Ken Research Analysis*

### Classification of India Hotels Market:

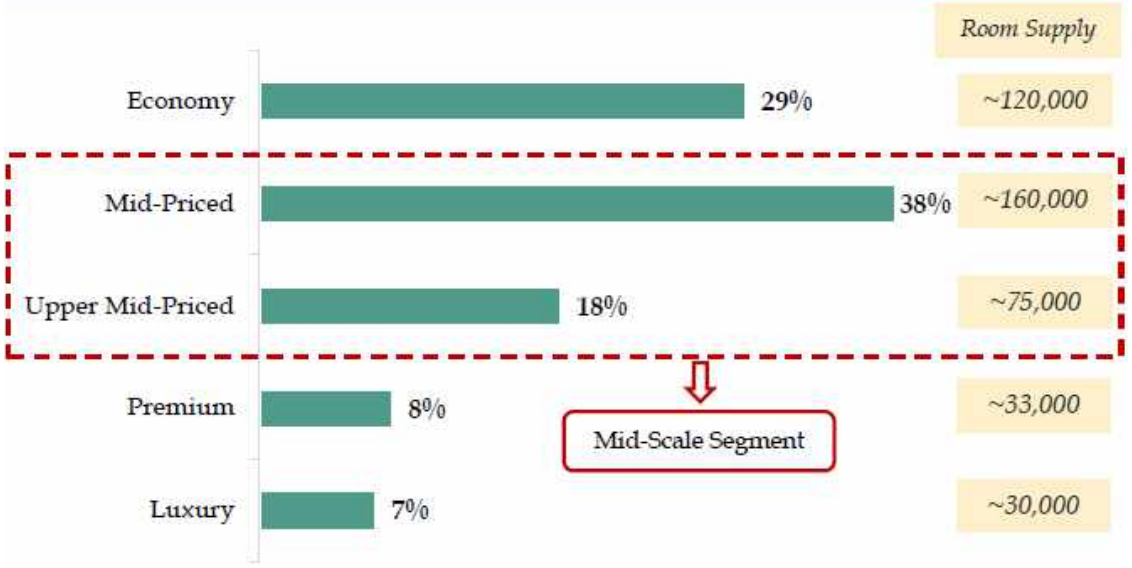
India's hotel industry can be classified into various segments based on their market positioning by Average Daily Rate (ADR). These segments cater to diverse traveller preferences, offering distinct levels of services and amenities. Each segment plays a crucial role in meeting the needs of different traveller demographics and enhancing the overall hospitality landscape in India.

Figure 4.2 India Hotels Market Classification basis ADR classes

*Source: Ken Research Analysis*

**Mid-Scale Hotels (Mid-priced and Upper Mid-priced together) constitute approximately 56.0% of the total room supply, signifying their dominance in catering to a broad spectrum of business and leisure travelers.** This trend underscores the growing preference among travelers for value-driven options that offer a balance of quality service, convenience, and affordability.

Figure 4.3 Segmentation of India Hotels Industry by Hotel types basis Room Supply, 2023




*Source: Ken Research Analysis*
*Note: The market segments within the box collectively represent the mid-scale hotels market*

Figure 4.3 illustrates the segmentation of India's hotel room supply across these segments. Hotel rooms in the INR 3,000-5,000 ADR range are particularly prominent, reflecting strong demand for affordable yet comfortable accommodations.

The Indian mid-scale hotels segment has emerged as a critical growth driver within the broader hospitality industry, fueled by a combination of rising domestic travel, changing consumer preferences, and increasing disposable incomes. **This segment caters to the rapidly growing middle-class and value-conscious travelers, positioning itself between the budget and luxury hotel categories, offering a balance of affordability and comfort.**

**INDIA MID-SCALE HOTELS MARKET**

**Travelers today are seeking more than just basic accommodation; they expect comfortable stays, modern amenities, and services that align with international standards, all while remaining cost-conscious.** This shift has significantly contributed to the growth of the mid-scale market, transforming it into one of the most competitive and innovative segments in India.

**The growth of domestic tourism, changing lifestyles, increasing affinity towards competitively priced branded hotels and expansion of business activity to Tier 2 & 3 cities have bolstered the popularity of Mid-market or Midscale hotels in India in the recent past.** Both domestic and international hotel companies with established as well as new midscale brands have increased their presence in the country to leverage the growing demand from middle-income domestic travelers and international budget travelers, especially in Tier 2, 3 & 4 cities.

The India mid-scale hotels market has evolved significantly over the past decade. Initially dominated by independent hotels and regional players, the segment saw a shift as international and national hotel chains recognized the potential in catering to middle-income travelers. Indian hotel chains such as Bloom hotels, Fortune Park, Ginger, Lemon Tree Hotels, Royal Orchids, Sarovar Hotels Sayaji Hotels, The Grand Continent Hotel and more have established a strong presence across the country, offering standardized yet affordable experiences. At the same time, global brands like Holiday Inn Express, ibis, and Fairfield by Marriott have expanded their mid-scale portfolios in India.

Mid-scale hotels in India are increasingly transitioning from the traditional economy select-service model to a more comprehensive full-service approach, driven by evolving customer expectations and heightened competition. Originally, these hotels focused primarily on offering basic services such as clean rooms, limited dining options, and essential amenities at affordable prices. However, as travelers seek more enriched experiences, mid-market hotels have expanded their offerings to enhanced facilities like multiple dining options, wellness centers, meeting spaces, and recreational services.

Trends such as flexible booking options, dynamic pricing, standardized guest experience, integrated leisure and business amenities are becoming vital differentiators for mid-scale hotels in capturing the evolving preferences of modern travelers.

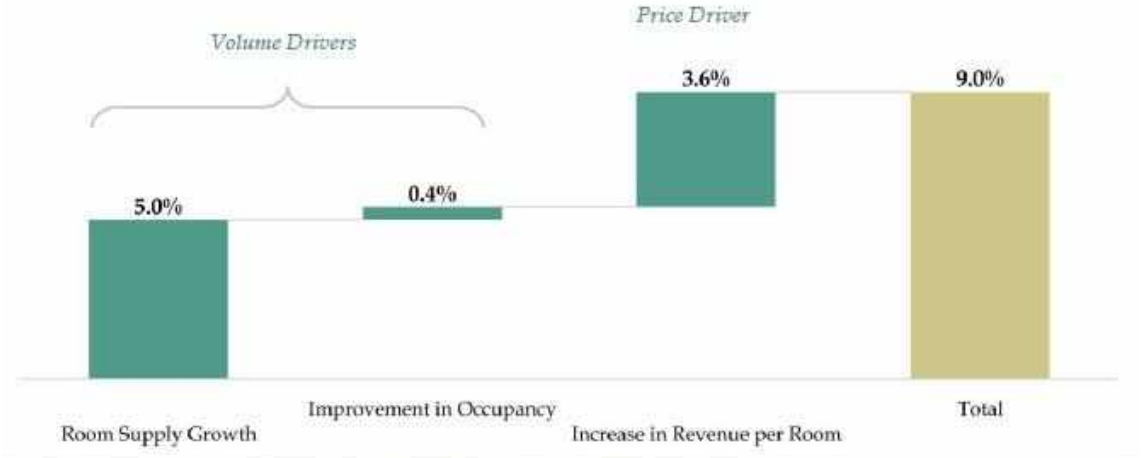
**INDIA MID-SCALE HOTELS MARKET SIZE AND SEGMENTATION, 2023-2029F**

**India's mid-scale hotels market generated a revenue of INR 316.3 billion in 2023 and is projected to expand at a CAGR of 9.0% from 2023 to 2029, reaching an estimated revenue of INR 530.1 billion by the end of the forecast period.**

Figure 5.1 India Mid-Scale Hotels Market Size in Value (Revenue Generation), in INR Bn, 2023-2029F

*Source: Ken Research Analysis; Note: E represents Estimated figure, F represents Forecasted figures*

Figure 5.2 CAGR Growth Component Split in India Mid-Scale Hotels Market, 2023-2029




*Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis*

**As of 2023, the mid-scale hotels market in India offered an estimated 230,000 rooms across both branded and independent properties. This supply is projected to grow at a CAGR of 5.0% from 2023 to 2029, driven by an increasing number of hotel developments and expansions within this category.**

Figure 5.3 India Mid-Scale Hotels Market Size in Volume (Rooms Supply), 2023-2029F

*Source: Ken Research Analysis; Note: E represents Estimated figure, F represents Forecasted figures*

The market has significant potential for expansion in the coming years, fueled by several key factors such as the robust increase in domestic tourism; the growing middle class, alongside their evolving lifestyles; a significant uptick in business travel, particularly from small and medium-sized enterprises (SMEs); and the broadening scope of business activities into Tier 2, 3, and 4 cities.

Furthermore, the advent of the digital era and the spread of online travel agencies (OTAs) have significantly simplified the process for travelers to locate and reserve hotel accommodations, enhancing accessibility and visibility for the midscale segment. Together, these economic, social, and technological trends are spurring demand for midscale hotels, which provide a blend of quality, affordability, and convenience, amidst a landscape of rising consumer expectations.

**Market Key Performance Indicators**

The COVID-19 pandemic significantly impacted the Indian mid-scale hotels market, leading to a decline in key performance indicators such as Revenue per Available Room (RevPAR), Occupancy Rate, and Average Daily Rate (ADR) from 2019 to 2021. However, the industry witnessed a strong recovery in 2022, with both ADR and RevPAR surpassing pre-pandemic levels, while occupancy rates showed substantial improvement.

**As of 2023, the Average Daily Rate (ADR) in the mid-scale hotels market of India stood at INR 4,806, with an occupancy rate of 63.7%, resulting in a RevPAR of INR 3,061.**

Looking ahead, with continued growth in domestic tourism, rising demand from business travelers, and increased digital adoption in the hospitality sector, the ADR is projected to reach INR 5,798 by 2029, reflecting a CAGR of 3.2%. Occupancy rates are also expected to see an upward trend, driven by improved infrastructure, expansion of travel segments, and a focus on value-driven offerings, reaching 64.4% by 2029, with RevPAR rising to INR 3,734.

Figure 5.4 KPIs for India Mid-Scale Hotels Market, 2023-2029F

*Source: Ken Research Analysis; Note: F represents Forecasted figures*

**Unit Economics of a Mid-Scale Hotels in India:**

The mid-scale hotels segment in India is heavily driven by the preferences of cost-conscious yet experience-focused travelers. **Unlike luxury hotels, where additional services contribute significantly to the overall revenue, mid-scale hotels see a dominant reliance on room revenue, reflecting the priorities of their typical guests.** It is worth noting that new mid-scale properties typically take 12 to 18 months to achieve stable occupancy levels (60-70%), depending on factors such as the property's location in a high-demand tourist or business hub, brand affiliation, seasonality, market conditions, and the effectiveness of its marketing, distribution strategy, and guest experience. In cases where the location is favourable and guest experience is positive, this period can shorten to 6-12 months.

Understanding the unit economics of this segment is essential for optimizing profitability, as hotels must strike a balance between offering quality accommodations and managing operational expenses efficiently. This section delves into the financial structure of a typical mid-scale hotel, highlighting key revenue sources and expense drivers that may shape its operational success.

**Room revenue, constituting 80-85% of total revenue**, remains the primary source of income for mid-scale hotels, underscoring the importance of maintaining high occupancy rates and optimizing room pricing strategies.

**Labor cost is one of the largest components of the expense structure, a reflection of the service-oriented nature of the hospitality industry**. Efficient staff management, training, and adopting automation technologies can help mitigate these expenses without compromising service quality.

**In the current scenario, operating profit margin ranges between 30% to 45%.** Tight control over operational expenses, especially SWB and HLFP (Table 5.1), will be key to improving margins. The implementation of automation, sustainable practices, and energy-efficient technologies will allow hotels to cut unnecessary costs.

**Market Segmentations By Ownership Type:**

The India mid-scale hotels market is broadly segmented into two categories basis ownership type: **chained or branded hotels** and **independently owned hotels**. As of 2023, independent hotels continue to dominate the market in terms of the number of

properties. However, there is a noticeable shift in consumer preference toward branded hotels, driven by demand for standardized services and consistency in offerings. **While independent hotels retain a significant market share, they face challenges in competing with the consistency and brand recognition that larger hotel chains provide.**

**In 2023, the supply of chained mid-scale hotel rooms reached 111,264, accounting for a 47.9% share of the mid-scale segment. (**Figure 5.5**)**

**The overall revenue generated from chained and independent mid-scale hotel segments stood at INR 171.9 Bn & INR 144.4 Bn respectively.**

Table 5.2 Chained vs Independent Mid-Scale Hotels Market basis important KPIs, 2023

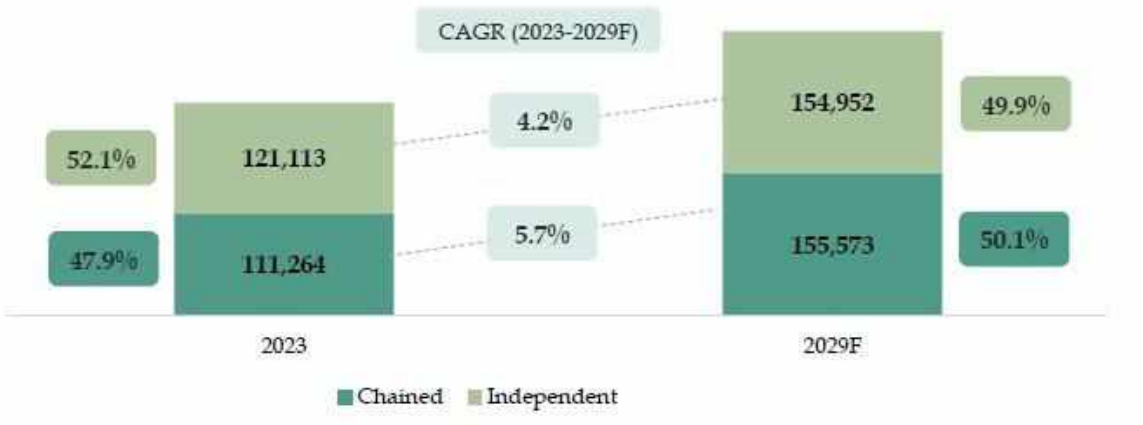
| KPI | Chained Mid-Scale Hotels | Independent Mid-Scale Hotels |
|---|---|---|
| Average ADR | INR 5,166 | INR 4,476 |
| Occupancy Rate | ~64.0% | ~63.5% |
| Revenue Generated | INR 171.9 Bn | INR 144.4 Bn |

*Source: Interviews with Industry Experts & Ken Research Analysis*

The chained mid-scale hotel segment is projected to grow at a CAGR of 5.7% from 2023 to 2029, reaching 155,573 rooms by the end of the forecast period. Conversely, the supply of rooms in independent mid-scale hotels is expected to grow at a slower CAGR of 4.2% during the same period.

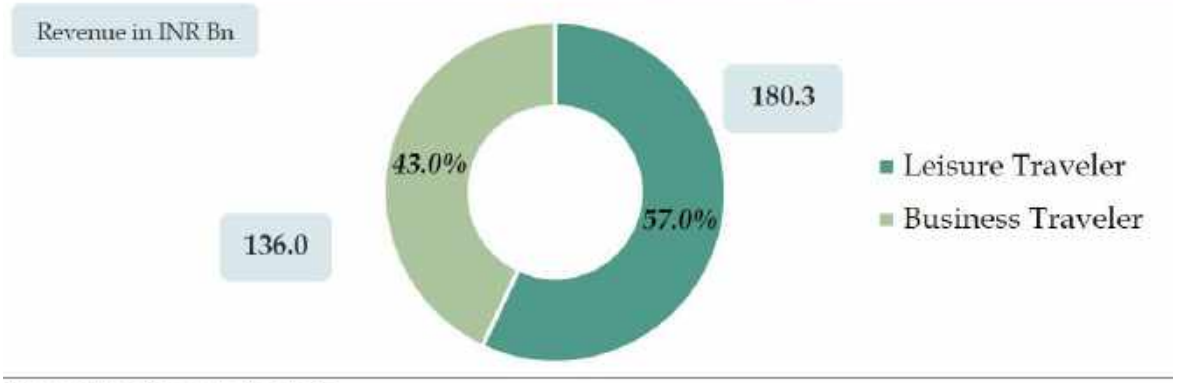
In response to the increasing demand for branded accommodations, there is a rising trend of major hotel chains acquiring or taking over independent properties. This allows them to rapidly expand their portfolio while enhancing the value proposition of previously unbranded hotels.

Figure 5.5 India Mid-Scale Hotel Rooms Supply by Ownership Type, 2023 & 2029F




*Source: Ken Research Analysis; Note: F represents Forecasted figures*

Figure 5.6 Split of India Mid-Scale Hotel Market by Traveler Type, 2023




*Source: Ken Research Analysis*

**By Traveler Type:**

The India mid-scale hotel market is segmented primarily into two customer types: business travelers and leisure travelers. In 2023, leisure travelers dominated the market, accounting for 57.0% of total revenue, generating INR 180.3 billion. Business travelers contributed 43.0% of the revenue, amounting to INR 136.0 billion.

The emphasis on mid-scale accommodations by corporate clients stems from the need to balance travel budgets while still ensuring a satisfactory level of service and amenities for business meetings and stays. **In 2023, India's business travel spending surged by almost 25%** reaching 78% of pre-pandemic levels. In 2024, the projected growth in business travel and meetings and events, is likely to grow by 18%. India is the ninth-largest market globally for business travel expenditure and the fourth-largest in the Asia Pacific region.

Mid-scale hotels offer an appealing mix of affordability and amenities, making them the go-to option for leisure travelers seeking comfortable yet reasonably priced stays. The Leisure segment continues to expand and contribute positively. Room revenue share of 5 markets – Goa, Jaipur, Udaipur, Uttarakhand and HP almost doubled, from 8.5% for 2019 to 16.9% for 2023.

In 2023, the **leisure traveler** segment of India's mid-scale hotel market was led by **families**, contributing **38.0%** of total revenue, or **INR 120.2 billion**. Families continue to be a key driver in this space, particularly due to the need for affordable, family-friendly accommodations that cater to larger groups, especially in popular vacation destinations.

**Couples and honeymooners** made up **30.0%** of the segment, generating **INR 94.9 billion** in revenue, as mid-scale hotels provide a balance of comfort and affordability, making them ideal for romantic getaways and honeymoon packages. The **friends** segment, accounting for **21.0%** and generating **INR 66.4 billion**, is largely fueled by the increasing trend of group leisure trips, especially among young professionals who seek cost-effective accommodations without compromising on quality or shared experiences. Lastly, **solo travelers**, although a smaller segment at **11.0%** with **INR 34.8 billion** in revenue, reflect a growing trend of independent travel. Mid-scale hotels are often the preferred choice for these travelers due to their combination of affordability, convenience, and safety, particularly in urban and adventure-centric destinations.

While, the business travelers' segment is expected to grow at a CAGR of 8.8% to reach revenue generation of INR 225.3 Bn in 2029, the leisure segment will continue to dominate with revenue share of 57.5% and CAGR of 9.1% during the forecast period.

**Figure 5.8 India Mid-Scale Hotels Revenue (in INR Bn) by Traveler Type, 2023 & 2029F**

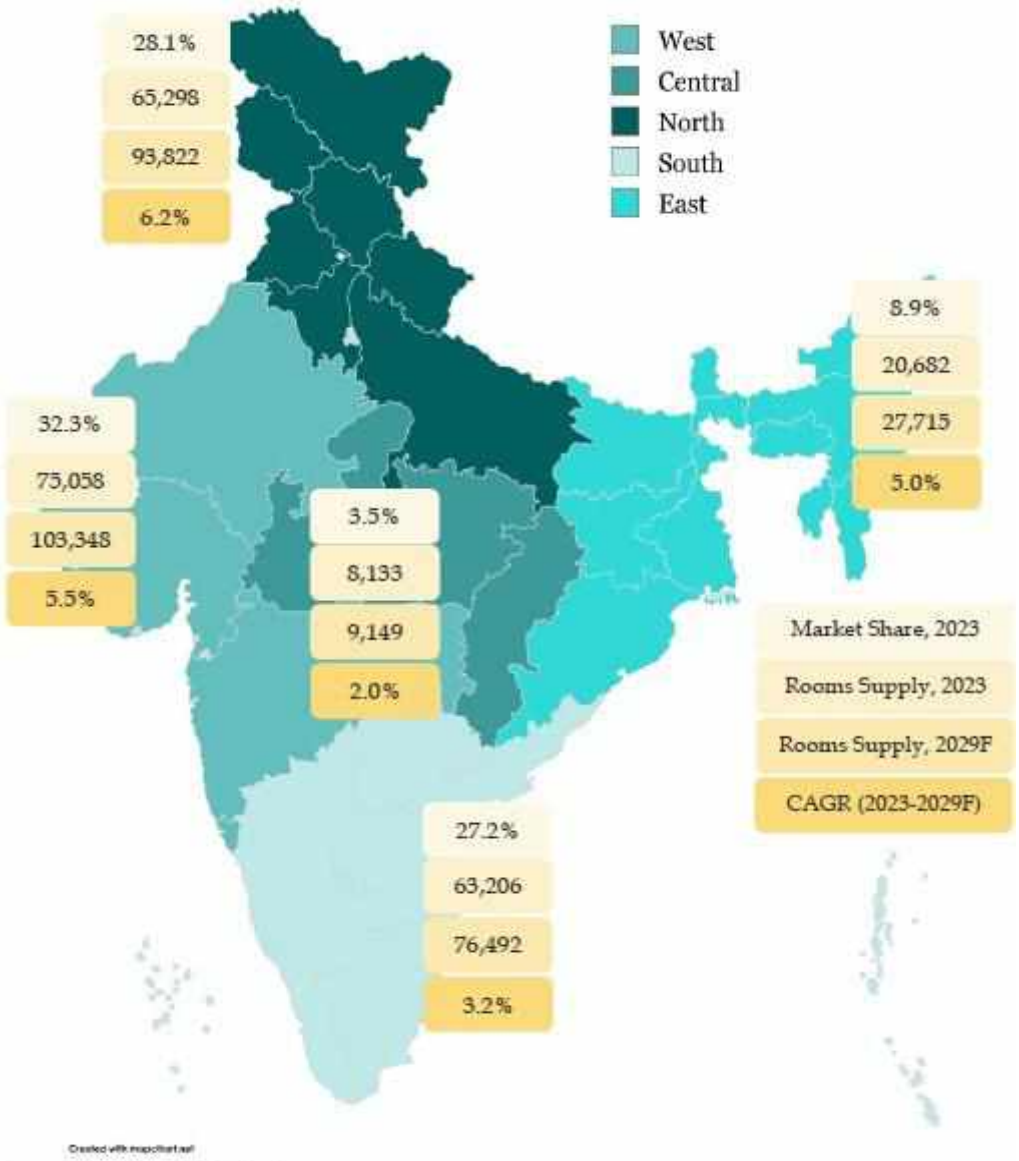
*Source: Ken Research Analysis; Note: F represents Forecasted figures*

**By Service Offerings:**

India's mid-scale hotels offer a diverse range of services, catering primarily to room accommodation, food and beverage services, event hosting, and spa & wellness amenities. However, at the mid-scale level, accommodation dominates the revenue structure, accounting for over 80% of total revenue in 2023, driven by the affordable yet comfortable lodging it provides to both business and leisure travelers. Food and beverage services rank second in revenue contribution, largely due to the growing demand for on-site dining and catering services at mid-scale hotels.

By 2029, the revenue split shows increasing diversification: accommodation will still command the largest share but food and beverage, events, and wellness offerings will continue to catch up, driven by rising traveler expectations and increased competition in the mid-scale hospitality sector.

Figure 5.10 Split of India Mid-Scale Hotels Market by Regions, 2023




*Source: Ken Research Analysis*

In India, the hotel industry is primarily regulated by the **Ministry of Tourism**, which oversees the promotion and development of tourism, including hotel classification into different star categories (1-Star to 5-Star) based on quality and services. The Ministry also provides policy frameworks, issues guidelines, and implements schemes to support the sector. **State Tourism Departments** manage licensing and ensure compliance with local regulations at the state level. Additionally, the **Federation of Hotel and Restaurant Associations of India (FHRAI)** helps promote industry standards, while hotels must comply with food safety regulations from the **Food Safety and Standards Authority of India (FSSAI) and other local laws**.

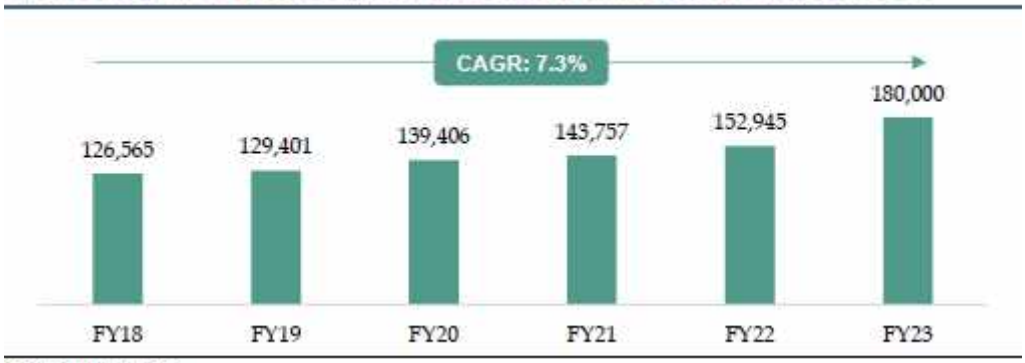
## KEY TRENDS AND DEVELOPMENTS

### Rise of Branded Hotels in Mid-Scale Segment

The mid-scale hotel segment is experiencing a significant shift **as budget-conscious consumers increasingly prioritize trust and reliability in their accommodations**. This has led to a growing demand for branded hotels, with many standalone properties converting to established hotel chains. The appeal of branding offers a win-win for both standalone hotels and chains, driving higher occupancy rates and improved Average Daily Rates.

Conversions often take place through various models, such as management contracts, where the hotel owner retains ownership while the chain handles operations; franchise agreements, where the chain provides branding and marketing support; or lease agreements, where the owner rents the property to the chain. **For example, Fern, a midscale hotel brand, opened 1,500 new rooms in 2022, with 70% being conversions from unbranded hotels.13** Fern also signed 24 new hotels that year, seven of which were conversions. **This trend reflects the broader industry shift towards brand trust, signaling a new era of growth and consolidation in the mid-scale hotel segment.**

Figure 5.13 Branded Hotels Supply in the Overall Indian Hotel Market, FY18-FY23




*Source: Hotelivate*

### Technology & Digital Transformation

The mid-scale hotel segment is witnessing a significant transformation driven by technological advancements aimed at enhancing guest experiences and operational efficiency. One of the key trends is the rise of contactless and automated services. Mid-scale hotels are adopting mobile check-ins, keyless room access, and automated customer support through chatbots. **For example, Sarovar Hotels has reimagined the check-in process, allowing guests to comfortably sit in the lounge and check in via a tablet brought to them by staff.** They are also leveraging WhatsApp groups to monitor guest requests and ensure any issue is addressed swiftly, escalating complaints if not resolved within 30 minutes. This real-time approach ensures a smooth, efficient operation while also improving guest satisfaction.

Hotels are also adopting smart devices for energy management, housekeeping, and room service, cutting down operational costs and optimizing resource usage.

Current investments in digital tools and automation are not enough to create lasting impact across the mid-scale segment. To truly revolutionize, hotels must explore a variety of avenues — from artificial intelligence (AI) and machine learning (ML) to virtual reality (VR) and smart devices. For instance, virtual reality can offer immersive previews of rooms and destinations, allowing potential guests to experience the hotel's offerings before they book.

### Tier-II & III cities as Emerging Markets

With increasing disposable incomes and a growing middle class, tier-2 & 3 cities are emerging as important economic centers, attracting both business and leisure travelers. In addition to the growth of small towns, the hospitality industry is

also benefiting from the **over-saturation of major metro cities**. Cities like Mumbai, Delhi, and Bengaluru have reached a saturation point with the existing number of hotels, which means that the demand for hotels is shifting to smaller cities.

**Religious and Spiritual Tourism**

India is home to a wealth of sacred sites such as Amritsar, Varanasi, Rishikesh, Katra, Kedarnath, and Tirupati, which are playing a crucial role in shaping the country's growing domestic tourism industry. Following the pandemic, travel motivated by spiritual and religious reasons has become a clear trend among travelers. **A 2022 ICICI Direct survey highlighted this, noting Varanasi's remarkable 720 lakh tourists, which significantly surpassed Goa's 5 lakh visitors.** According to the Ministry of Tourism, these religious hubs contributed approximately ₹1.3 lakh crore in revenue and attracted around 1.43 billion visitors in 2022. Contrary to the belief that spiritual tourism primarily appeals to older generations, this trend spans across age groups.

## KEY GROWTH DRIVERS

### Rising Disposable Income and Affluence

With the Indian middle class growing and having more spending power, domestic tourism is increasing, leading to a growing demand for hotel accommodations. In the first three months of 2024, Indian airports served 97 million passengers, a number that took an entire year to reach just a decade ago. **With more people willing to spend on experiences, travel has become a priority for many Indian households.** Moreover, mid-scale hotels have adapted to the evolving needs of their guests by incorporating technology and personalized services. Features such as free Wi-Fi, flexible check-in/check-out policies, and loyalty programs further enhance their appeal, making them a preferred choice for a growing segment of the population.

As more consumers move into the middle-income bracket, the demand for quality yet affordable accommodation is rising, positioning mid-scale hotels perfectly to meet this growing need. **Unlike budget hotels, which often lack essential services and amenities, mid-scale hotels offer well-appointed rooms,** superior customer service, and facilities like dining, fitness centers, and business services. This makes them an attractive option for middle-income families, business travelers, and leisure tourists who seek comfort and convenience at a reasonable price.

### Urbanization & Infrastructural Development

Urbanization and infrastructure development are pivotal factors driving the growth of the mid-scale hotel market in India, particularly in tier 2 and tier 3 cities. As these markets experience rapid urbanization, improved connectivity, and enhanced infrastructure, they are becoming increasingly attractive for both travelers and hotel developers. The rise of tier 2 and tier 3 cities can be largely attributed to better connectivity through improved road, rail, and air transport options, which have made these cities more accessible and are encouraging both leisure and business travel.

The Indian Government is actively promoting infrastructure development to support economic growth and attract investments in emerging markets. Significant projects, such as the Mumbai Trans Harbour Link and the Dwarka Expressway, are set to enhance connectivity in major metropolitan areas, reducing travel times and making these regions more appealing for businesses and travelers alike. Additionally, projects like the Vizhinjam International Transshipment Deepwater Multipurpose Seaport in Trivandrum and the Delhi-Dehradun Expressway are expected to drive real estate activity and enhance tourism prospects in their respective areas. These infrastructure advancements not only boost local

## MAJOR MARKET CHALLENGES & THREATS

### Market Challenges:

#### Increasing Competition with Highly Fragmented Market

The mid-scale hotel sector in India is characterized by increasing competition amid a highly fragmented landscape. Almost every city features a mix of numerous branded and unbranded hotels, including both family-owned establishments and larger chains. Historically, the supply of branded hotels was concentrated in the luxury and premium segments, driven primarily by foreign tourism. However, the significant rise in domestic tourism has prompted many **hotel brands to venture into the mid- range market, intensifying competition** within this segment.

The presence of well-established properties complicates the competitive environment, as **customers now have an abundance of options at their disposal.** This saturation diminishes **pricing power** for hotels, forcing them to compete aggressively on rates and amenities. The proliferation of online hotel aggregators has further intensified this trend, allowing customers to easily compare prices and availability across various properties, which in turn drives down rates and **increases pressure on margins.**

**Capital-intensive Industry with Long Gestation Period**

The mid-scale hotel industry in India faces significant challenges due to its capital-intensive nature and extended gestation periods of 5-10 years. Prime hotel locations often command high land prices, elevating **initial investment requirements**. Additionally, constructing a hotel involves **substantial costs** related to safety measures, high-quality building standards, and aesthetically pleasing interiors and furnishings.

Owners must allocate considerable resources, both finances and time, before realizing any returns. The need for substantial working capital is further **compounded by the cyclical and seasonal nature** of the hospitality business. While peak seasons can generate substantial revenue, off-peak periods can lead to underutilization, resulting in **financial strain as operational costs persist year-round**. This creates an ongoing challenge for hoteliers in managing liquidity and ensuring sustainability.

**Shortage of Skilled Labor**

Most branded hotels in India today are severely underpowered. **The current shortfall in the branded hotels space is 80,000- 100,000 people. These hotels require 1.2-1.5 million people every year and this requirement is growing at a CAGR of 5.5-5.6%15.** This shortage hampers operational efficiency, impacts service quality, and constrains growth potential, posing a critical challenge for maintaining competitive standards and meeting increasing market demands.

**Fluctuations in Demand**

The India mid-scale hotel market faces significant challenges due to fluctuations in demand. The peak season, from October to April, benefits from high activity such as weddings, but July to September see a marked slowdown. **This reliance on seasonal variations affects occupancy rates and RevPAR, leading to slower growth during off-peak months.** Additionally, the market is vulnerable to economic fluctuations and external factors like political instability or pandemics, further complicating revenue stability and forecasting.

**Consumer Price Sensitivity**

Price sensitivity among consumers has become a significant challenge in the mid-scale hotel sector. **With a growing number of budget-conscious travelers and increased price comparison tools, guests are more focused on finding the best value for their money.** Chains with well-established brands might leverage their scale to offer competitive pricing or value-added services without compromising profitability. In contrast, independent hotels, which may lack the same scale efficiencies, face greater pressure to adjust pricing strategies and offer compelling value propositions to attract price-sensitive customers.

**Market Threats:**

**Rising Competition from Alternative Accommodations**

The diversified offerings from hospitality industry in terms of alternative accommodation option like homestays, villas, hostels, apartments, short-term rentals are playing an important role in meeting the evolving demands of travelers. These alternatives often offer unique experiences and competitive pricing, attracting a segment of travelers seeking more personalized or cost-effective options, posing a significant threat to mid-scale hotels.

**According to Booking.com's Travel Predictions 2023, a significant 4 of Indian travelers now seek "off-grid" style vacations. Travelers are actively seeking unconventional and unique stays to enhance their travel experiences such as villas, treehouses, camps, boathouses and other distinctive options, rather than traditional hotel settings.** According to Booking.com's recent earnings results, alternative accommodations room nights globally rose about 45.0% year-on-year, representing about 33.0% of the brand's total room nights.

**Rigid Lease Agreements**

**Rigid clauses and terms under lease and management contracts between hotel operators and property owners pose a significant threat to operational flexibility and financial stability.** These agreements often contain **stringent early termination and exit clauses**, which can lead to considerable **financial penalties for hotel operators**. Such burdens strain cash flow, particularly in an industry where margins are tight, forcing operators to remain tied to underperforming properties.

Moreover, the inflexibility of these agreements **limits strategic options**, hindering the ability to adapt to changing market dynamics and consumer preferences. Legal complexities arising from disputes over lease terms can further divert resources away from core operations, impacting overall efficiency and reputation.

Finally, stringent lease conditions can **deter potential investors** by raising concerns about operational risks and limiting access to necessary capital for growth and innovation.

**Environmental Regulations and Sustainability Pressures:**

Increasing environmental regulations and sustainability expectations are putting pressure on mid-scale hotels to adopt eco-friendly practices. Compliance with regulations related to waste management, energy efficiency, and resource conservation can lead to increased operational costs. Hotels need to integrate sustainable practices into their operations and communicate their environmental initiatives to meet regulatory requirements and appeal to eco-conscious travelers.

## COMPETITIVE LANDSCAPE

**India's mid-scale hotel market is dynamic and highly competitive, driven by the country's growing middle class, increasing domestic travel, and expanding business hubs across metros and Tier II & III cities.** The sector serves a diverse clientele, including budget-conscious business and leisure travelers, who seek a balance between affordability and comfort. This demand has created a competitive environment where both domestic and international players vie for market share through geographic expansion, service differentiation, and aggressive pricing strategies.

The market has also seen significant interest from international hotel brands, which are expanding their mid-scale offerings in India. These global players bring established brand names and loyalty programs, often appealing to business travelers and foreign tourists. However, they face stiff competition from domestic chains that better understand local consumer preferences and are more agile in adapting to regional market needs.

**Amid this competitive landscape, the importance of brand differentiation, customer experience, and technology integration has become increasingly crucial.** Chains that can innovate, whether through digital booking platforms, loyalty programs, or unique service offerings, are better positioned to capture market share. Additionally, scaling operations quickly to increase room inventory, particularly in non-metro cities, is seen as a critical success factor for mid-scale hotel operators.

**OVERVIEW OF THE MAJOR PLAYERS IN INDIAN MID-SCALE HOTELS MARKET**

Table 6.1 Company Overview of Major Players in India Mid-Scale Hotels Market

| Player | Lemon Tree Hotels | Ginger Hotels | Bloom Hotels | Fortune Park Hotels | Royal Orchid | Sayaji Hotels |
|---|---|---|---|---|---|---|
| Establishment Year & Parent Company | 2004, Lemon Tree Hotels Limited (LTHL) | 2004, IHCL | 2011, Imperativ Hospitality | 1995, ITC Ltd. | 1973, Royal Orchid Hotel | 1982, Sayaji Hotels Ltd. |
| Operational Hotels | 100+ | 57 | 55+ | 48 | 100+ | 26 |
| Number of rooms | 9,000+ | ~6,000 | 4,300+ | 3,800+ | 5,900+ | 1,800+ |
| Key Locations | NCR, Mumbai, Kolkata, Bengaluru, Hyderabad, Ahmedabad, Chandigarh, Jaipur, Udaipur, Kochi, Ludhiana & others | Bangalore, Chennai, Goa, New Delhi, Pune, Mumbai & others | Mumbai, Bengaluru, Delhi, Gurugram, Pune, Goa, Udaipur, Amritsar, Kochi & others | Goa, Ahmedabad, Gandhinagar, Madhurai, Gurugram, Kolkata & others | Agra, Ahmedabad, Chennai, Surat, Dwarka, Udaipur & others | Indore, Pune, Vadodara, Raipur, Morbi, Bhopal & others |
| Sub-Brands | • Aurika Hotels and Resorts<br>• Lemon Tree Premier<br>• Lemon Tree Hotels<br>• Red Fox by Lemon Tree Hotels<br>• Keys Prima by Lemon Tree Hotels<br>• Keys Select by Lemon Tree Hotels<br>• Keys Lite by Lemon Tree Hotels | NA | • Bloom Hotel<br>• Bloom Hub<br>• Bloom Suites<br>• Bloom Rooms<br>• Bloom Boutique<br>• X by Bloom | • Fortune Select<br>• Fortune Park<br>• Fortune Resort<br>• Fortune Inn | • Royal Orchid<br>• Royal Orchid Central<br>• Royal Orchid Suites<br>• Regenta | • Sayaji<br>• Effotel<br>• Enrise |

*Source: Ken Research Analysis*

Table 6.2 provides a snapshot of the financial performance of key players in India's mid-scale hotel market for FY23. Lemon Tree leads with the highest revenue, PAT, and EBITDA, showcasing its dominant position. Roots Corp. (Ginger) and Royal Orchid follow, with a significant gap from Lemon Tree but still maintaining strong profitability. Bloom Hotels, Fortune Park and Sayaji Hotels, while smaller, reflect steady growth, indicating rising competition in the segment.

**Table 6.2 Overview of Major Players in Mid-Scale Hotels Market of India, FY23 in INR Cr**

| Financial Parameters | Lemon Tree | Roots Corp. (Ginger) | Bloom Hotels | Fortune Park | Royal Orchid | Sayaji Hotels |
|---|---|---|---|---|---|---|
| Total Revenue | 875.0 | 306.7 | 144.0 | 44.4 | 263.5 | 271.1 |
| EBITDA | 544.2 | 74.0 | 12.4 | 8.0 | 81.8 | 82.9 |
| PAT | 139.7 | 71.1 | 6.0 | 5.3 | 49.2 | 35.1 |

*Source: Interview with Industry Experts, Company Financial Reports and Ken Research Analysis*

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 27 for a discussion of the risks and uncertainties related to those statements, the section "Risk Factors" on page 38 for a discussion of the risks that may affect our business, financial condition, or results of operations, and "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 234 and 268, 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.*

*We have included various operational and financial performance indicators in this Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements or otherwise be subject to an examination, audit or review by our statutory auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.*

*Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the Financial Years ended March 31, 2022, 2023 and 2024 and the six months period ended September 30, 2024 included herein is derived from the Restated Consolidated Financial Statements included in this Red Herring Prospectus. For further information, refer section titled "Restated Consolidated Financial Statements" on page 234. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company.*

**Business Overview:**

Our Company, "M/s Grand Continent Hotels Private Limited" was established, at Bengaluru, Karnataka on November 11, 2011 as a private limited company under the provisions of the Companies Act, 1956 vide certification of incorporation dated November 11, 2011 issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identification Number of our Company is CIN: U55101TN2011PLC083100. The first hotel launched under M/s Grand Continent Hotels Private Limited was a 24-room property on Bannerghatta Road, Bengaluru, called "Grand Continent Hotel" in April 04, 2016.

We operate in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. We seek to cater to Indian middle-class guests and business travellers and to deliver differentiated yet comfortable service offerings, with a value-for-money proposition. Our Company along with the JV Partner Entities have 16 operational hotel properties and operates a total of 753 hotel keys as of September 30,2024 across states of Karnataka (Bengaluru/Mysuru), Tamil Nadu (Hosur), Goa (Anjuna/Morjim), Andhra Pradesh (Tirupati) and Telangana (Secunderabad). The split of our hotel keys under upper – mid priced, mid-priced and economy segment are as follows:

| Details | (No. of keys) | | | | CAGR (%) |
|---|---|---|---|---|---|
| | As at Six months period ended September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 | |
| Upper – Mid Priced | 218 | 180 | 88 | 0 | 43.74 |
| Mid - Priced | 511 | 327 | 217 | 168 | 37.41 |
| Economy | 24 | 24 | 24 | 24 | 0 |
| **Total** | **753** | **531** | **329** | **192** | **47.76** |

The categorisation of hotel properties/keys into economy, mid-priced and upper mid-priced segment has been provided which is based on combination of
(a) average daily rate (ADR); and
(b) amenities provided at the facility/hotel

Accordingly, we have used the guidance given in the section titled "*Our Industry*" in the DRHP to categorize the hotel properties under our management as follows:

a. **Economy hotels:** with ADR less than INR 3,000/- and basic room and limited amenities.

b. **Mid-price hotel:** with ADR in range of INR 3,000 – 3,750, providing amenities like free wi-fi, coffee shop (12hours x 7days), breakfast buffet, room service and fitness centre.

c. **Upper Mid- Price hotel:** with ADR in range of INR 3,750 – 5,000 and providing amenities like free wi-fi, coffee shop (12 hours x 7 days), breakfast buffet, room service and fitness centre; and additional services like banquets, swimming pool, and larger room sizes, at reasonable cost.

For further details, kindly refer to section titled "*Our Industry*" beginning on page 143 of the Red Herring Prospectus.

Our occupancy across all hotel properties is 67.69% for Six months period ended September 30, 2024, 71.98% for FY 2024, 73.92% for FY 2023 and 61.04% for FY 2022. As per Ken Research, new mid-scale properties typically take 12 to 18 months to achieve stable occupancy levels (60-70%), depending on factors such as the property's location in a high-demand tourist or business hub, brand affiliation, seasonality, market conditions, and the effectiveness of its marketing, distribution strategy, and guest experience. In cases where the location is favourable and guest experience is positive, this period can shorten to 6 - 12 months. Excluding properties with less than 6 months of operations, our adjusted occupancy is 72.33% for Six months period ended September 30, 2024, 75.17% for FY 2024, 79.00% for FY 2023 and 61.90% for FY 2022

We have a significant presence in Bengaluru with 10 hotels and a total of 458 hotel keys as of September 30, 2024, providing us with a significant advantage of tapping into the international and domestic travellers through this city and the well-established business ecosystem. Our hotel operational properties in Bengaluru represents 71.43% of our total hotel operational properties, 60.82% of our total keys under Our portfolio as of September 30, 2024 and the revenue contributes 60.39% as on September 30, 2024.

Our Company follows an asset light model with properties under direct lease model. Out of such leased properties, two properties are leased out under JV partnership agreement. Our Company also own two properties located in Bengaluru, Karnataka.

For majority of our hotel properties, we have trademark license agreement/franchisee agreements with Sarovar Hotels Private Limited and/or Royal Orchid Associated Hotels Limited where through such franchisee partners the Company is able to supplement its sales and marketing efforts and generate leads for those hotel properties. The licensor/franchisee partners are paid a fixed percentage on the gross revenues from such hotel properties. All such properties will be under "own brand" or "Co-branded" with franchisee partners under trademark license agreement /franchisee agreements.

## Our Key Brands

| Own Brand | Franchise Partners | |
|---|---|---|
| GRAND CONTINENT | ROYAL ORCHID | SAROVAR HOTELS/SAROVAR |
| Current Properties | Current Properties | Current Properties |
| 1. Grand Country Stays, Bannerghatta Rd | 1. Regenta Inn Grand, Koramangala | 1. Grand Continent, Malleswaram |
| 2. Grand Continent Hotel, Morjim | 2. Regenta Inn, Indiranagar | 2. Tulip Inn Koramangala |
| 3. Grand Continent Hotel, Devanahalli | 3. Regenta Inn 4th Block, Koramangala | 3. Golden Tulip Tirupati |
| | 4. Regenta Inn ORR, Mahadevapura | 4. Grand Continent Hosur |
| | | 5. Grand Continent Hebbal |
| | | 6. Grand Continent Secunderabad |
| | | 7. Grand Continent Anjuna |
| | | 8. Grand Continent Mysuru |
| | | 9. Grand Continent, Brookfield |
| Our owned and registered brand | We handle franchise operations for Royal Orchid and Sarovar, overseeing the operation and maintenance of 13 properties under these sub-brands in Bengaluru, Mysuru, Tirupati, Goa, Secunderabad and Hosur | |

Our Promoter, Mr. Ramesh Siva, who is also our Chairman and Managing Director, has more than two decades of experience in the hotel and hospitality industry. He has demonstrated ability to manage and grow operations organically and also by acquiring and integrating hotels. The leadership team of our Company has extensive experience in identifying hospitality destinations and securing of hotels under lease considering factors such as Location, economic potential, target customers and branding.

Our dedicated in-house asset management team includes experienced hospitality professionals to oversee key operational aspects, such as procurement, marketing, human resource management and capital expenditure decisions. Our asset management practices are designed to provide a comfortable experience for guests, tenants and consumers and are driven by comprehensive procedures aimed at improving the operational performance of our assets through increased occupancy rates and revenue generation, as well as enhanced cost efficiencies. All our hotel properties are well staffed with security, front desk, housekeeping and food and beverages service coverage to ensure that we create a well-rounded service experience for our guest.

We believe that we are well-positioned to benefit from growing hospitality demand fuelled by several key factors such as the robust increase in domestic tourism; the growing middle class, alongside their evolving lifestyles; a significant uptick in business travel, particularly from small and medium-sized enterprises (SMEs); and the broadening scope of business activities into Tier 2, 3, and 4 cities. The Foreign Tourist Arrivals (FTAs) in India continued to grow from 2.54 million in 2001, 6.31 million in 2011 to reach 10.93 million in year 2019. Subsequently, after opening of the economy post COVID -19 Pandemic, tourism has shown increasing signs of revival. In year 2022, India registered 6.44 million FTAs i.e. attained around 60% of pre-pandemic level with a growth of 323.7% over 2021. In 2023, 9.23 million foreign tourists visited India. Although the FTAs arrival tally still remains less than the pre-pandemic number of 10.93 million in 2019, 2024 numbers are expected to surpass it. Domestic tourist visits have grown substantially post pandemic, fuelled by rising disposable incomes, an expanding middle class, and a shift in lifestyle choices that prioritize travel and leisure. Additionally, better road networks, improved rail and air connectivity, and the expansion of affordable accommodation options have made travel more accessible to a wider audience. The top 5 states in domestic tourist visits in 2022 were Uttar Pradesh (317.9 Mn), Tamil Nadu (218.6 Mn), Andhra Pradesh (192.8 Mn), Karnataka (182.4 Mn) and Gujarat (135.8 Mn) with their respective shares being 18.4%, 12.6%, 11.1%, 10.5% and 7.8%. These 5 States accounted for about 60.5% of the total domestic tourist visits in the country *(Source: Ken Research)*.

We plan to continue focusing on our core strength of developing upper-midscale and midscale hospitality assets and to increase the number of keys across our hospitality assets by an estimated 1,500 keys, from 753 keys as at September 30, 2024 to approximately 2000+ keys in FY2026 through our planned development and expansion initiative as detailed in chapter on "*Objects of the Offer*" along with acquisition of properties from internal accruals and through debt funding. For details on target list of properties being funded via objects of the issue, please refer chapter on "*Objects of the Offer*" on page 114 of the Red Herring Prospectus.

We plan to focus on increasing our ARR through leveraging our valued position in our key markets and established relationships with hotel operators and franchisee partners. We intend to continue to capitalize on the quality of our management and scale of our existing Portfolio to further drive operational efficiencies, reduce costs and improve margins. We intend to take advantage of opportunities for strategic developments and acquisitions. In addition, we believe that our stable annuity cash flows and debt headroom will provide us with financial flexibility to maintain a competitive advantage for future acquisitions of hotel properties.

**KEY OPERATIONAL DATA**

The following table sets out our key operational data as of/for the years indicated. All operational data below is provided as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively (other than ARR, Occupancy and RevPAR which are provided for Six Months period ended September 30, 2024, FY 2024, FY 2023 and FY 2022, respectively).

| Details | As at and for Six Months period ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Total Number of hospitality assets* | **16** | **12** | **7** | **5** |
| *Total Number of keys* | **753** | **531** | **329** | **192** |
| | | | | |
| **Hospitality Assets – Upper Mid-Priced** | | | | |
| *Number of hospitality assets* | *4* | *3* | *1* | *0* |
| *Number of keys* | *218* | *180* | *88* | *n/a* |
| *Occupancy (%) [(1)]* | *55.82%* | *67.18%* | *3.38% [(4)]* | *n/a* |
| *ARR (₹) [(2)]* | *3,969.02[(5)]* | *3,883.51* | *3,971.15* | *n/a* |
| *RevPAR (₹) [(3)]* | *2,215.52* | *2,609.10* | *134.09* | *n/a* |

| | | | | |
|---|---|---|---|---|
| **Hospitality Assets – Mid Priced** | | | | |
| *Number of hospitality assets* | *11* | *8* | *5* | *4* |
| *Number of keys* | *511* | *327* | *217* | *168* |
| *Occupancy (%) (1)* | *73.90%* | *73.28%* | *77.74%* | *59.65%* |
| *ARR (₹) (2)* | *3,512.61(6)* | *3,409.85* | *2,783.77* | *1,971.63* |
| *RevPAR (₹) (3)* | *2,595.86* | *2,498.68* | *2,164.08* | *1,176.16* |
| | | | | |
| **Hospitality Assets – Economy** | | | | |
| *Number of hospitality assets* | *1* | *1* | *1* | *1* |
| *Number of keys* | *24* | *24* | *24* | *24* |
| *Occupancy (%) (1)* | *76.31%* | *77.91%* | *68.92%* | *68.08%* |
| *ARR (₹) (2)* | *1,549.79* | *1,467.90* | *1,471.43* | *911.47* |
| *RevPAR (₹) (3)* | *1,182.72* | *1,143.71* | *1,014.04* | *620.55* |

*Notes*

*(1) Occupancy = Total room nights sold during a relevant year/period divided by the total available room nights during the same year/period.*

*(2) Average room rate (ARR) = being room revenues during a given year/period divided by total number of room nights sold in that year/period.*

*(3) RevPAR = calculated as Average Room Revenue for a relevant period multiplied by Average Occupancy Rate for that period.*

*(4) Property went live on 24th February with a total of 104 room nights billed for FY 2023.*

*(5) One of the four hospitality properties classified as "Upper Mid-Priced" and accounting for 38 keys were active for less than six months during six months period ended September 30, 2024.*

*(6) Three of the eleven hospitality properties classified as "Mid-Priced" and accounting for 184 keys were active for less than six months during six months period ended September 30, 2024.*

**KEY FINANCIAL DATA**

| Details | Unit | As at and for Six months period ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|---|
| Total Keys | Number | 753 | 531 | 329 | 192 |
| Revenue from Operations | (₹ in Lakh) | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Total Income(1) | (₹ in Lakh) | 3,186.32 | 3,153.16 | 1,704.70 | 602.73 |
| Total Income Growth (Y-o-Y)(2) | % | NA | 84.97 | 182.83 | 110.40 |
| EBITDA(3) | (₹ in Lakh) | 1,124.60 | 986.48 | 625.31 | 238.44 |
| EBITDA margin(4) | % | 35.32 | 31.58 | 37.22 | 39.56 |
| EBITDA/Key(5) | (₹ in Lakh) | 1.49 | 1.86 | 1.90 | 1.24 |
| Restated Profit / (loss) for year (6) | (₹ in Lakh) | 622.37 | 407.77 | 103.49 | (79.29) |
| Restated profit/(loss) for the year Margin(7) | % | 19.53 | 12.93 | 6.07 | (13.16) |
| Net debt(8) | (₹ in Lakh) | 3,294.21 | 2,653.19 | 3,661.48 | 3,430.15 |
| Total Equity(9) | (₹ in Lakh) | 4,101.46 | 2,999.33 | 58.73 | (163.21) |
| Net Debt / Total Equity(10) | Number | 0.80 | 0.88 | 62.34 | (21.02) |
| Net debt / EBITDA(11) | Number | 2.93 | 2.69 | 5.86 | 14.39 |
| Total assets(12) | (₹ in Lakh) | 9,793.63 | 7,391.43 | 4,226.10 | 3,436.58 |
| Total Borrowings(13) | (₹ in Lakh) | 4,022.23 | 3,496.26 | 3,706.58 | 3,472.33 |
| Total Borrowings / Total Assets(14) | Number | 0.41 | 0.47 | 0.88 | 1.01 |

*Notes*

*(1) Total income means the sum of revenue from operations and other income.*

*(2) Total Income Growth (%) is calculated as a percentage of total income of the relevant year/period minus Total Income of the preceding year, divided by total income of the preceding year/period.*

*(3) EBITDA =Profit before Tax + finance costs + depreciation and amortisation expense + exceptional loss + total tax expense/(credit) less Other Income.*

*(4) EBITDA margin (%) = EBITDA divided by Revenue from Operations.*

*(5) EBITDA / key= EBITDA divided by average number of keys during the year/period.*

*(6) Restated profit / (loss) for the period/ year = Total Income less Total Expenses less Total Tax expenses for the year/period and adjustment for minority Interest.*

*(7) Restated profit/(loss) margin for the period/ year Margin (%) = Restated profit/(loss) for the year/period divided by the total income for the year/period.*

*(8) Net debt = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents.*

*(9) Total Equity = Equity Share Capital + Other Equity.*

*(10) Net Debt / Total Equity = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / Shareholders equity.*

*(11) Net debt / EBITDA = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / EBITDA.*

*(12) Total Assets = Non-current assets + Current assets.*

*(13) Total Borrowings = Long Term Borrowings + Short Term Borrowings.*

*(14) Total Borrowings / Total Assets = Long Term Borrowings + Short Term Borrowings divided by non-current assets + Current assets.*

**PROPERTY LAUNCH CYCLE**

Once we identify and finalize a prospective property, we sign a Letter of Intent (LOI) with the landlord, agreeing on key contract terms, including the facility's composition, the landlord's responsibilities, and commercial terms. Typically, the landlord handles structural work, fixed fixtures, and high-side equipment. We may involve our architects to ensure the quality of these elements meets our standards, especially in terms of aesthetics and finishes. After the property is handed over, we usually require anyway between 90 - 120 days to get the property operational which includes soft furnishings, kitchen setup, IT deployment, and staff training.

**Staff recruitment and onboarding procedures-**

When opening a new hotel, we carefully assess the staffing needs across various functions, including Front Desk, Housekeeping, Horticulture, Maintenance, Food Service, Food Production, Security, Accounts, and Materials Management. We evaluate the right mix of experienced professionals and fresh talent required for the hotel's operations. During the pre-opening phase, we conduct intensive training for the entire staff. This training focuses on property knowledge, guest interaction, understanding hotel systems and processes, and specific functional skills. This ensures that our team is fully prepared to deliver exceptional service from day one.

**Marketing Strategy –**

Our marketing approach is multifaceted, designed to address the unique demands of various destinations, micro-markets, and consumer groups. We empower our properties with robust sales and marketing initiatives, leveraging the following channels:
1. In-House Sales Team: A dedicated team of professionals focused on enabling tie ups with corporates and travel agency firms to tap into the business travel market.
2. Franchise Partner Networks: we have trademark license agreements/ franchisee agreements with Sarovar Hotels Private Limited and /or Royal Orchid Associated Hotels limited which gives us access to the sales office network of both these firms for lead generation for our properties.
3. Online Travel Agents (OTAs): A strong presence in electronic distribution channels such as booking.com, makemytrip, goibibo, agoda etc.
4. User-Friendly Website: A fully-enabled website for seamless, instant online reservations.
5. Trade Platforms: Active participation in trade fairs and similar events across India

## OUR COMPETITIVE STRENGTHS

1. **Premium hospitality offerings in mid-priced segment.**

   Our strength lies in providing premium hospitality experiences within the mid-priced segment. We deliver quality service and elegant accommodations at competitive rates, ensuring that guests receive exceptional value without compromising on luxury. We offer spacious accommodations in prime locations. Our culinary services feature diverse options tailored

to customer preferences, maintaining good hygiene standards. Additionally, we provide quick and efficient room service to enhance our guests' experience.

**2. Strategically located properties at prime areas.**

Our extensive network of properties allows us to meet the diverse needs of both business and leisure travellers. By acquiring properties in key business districts and popular entertainment hubs, we ensure that guests have easy access to important destinations and activities, minimizing the time they spend commuting. The location of our properties not only enhances the appeal of our hotels to both business and leisure travellers but also boosts our visibility and attractiveness in a competitive market.

**3. Proven track record of adding value through active asset management**

We believe our hospitality assets are destinations of choice due to their quality, positioning and unique offerings. Our asset management practices are designed to provide an exceptional experience for guests and are driven by comprehensive procedures aimed at improving the operational performance of our assets through increased occupancy rates and revenue generation, as well as enhanced cost efficiencies. We have a dedicated in-house asset management team that collaborates closely with our hotel properties to oversee key operational aspects, such as key procurement, marketing and capital expenditure decisions

Asset enhancement initiatives

We strive to enhance the operational performance of our assets through targeted asset enhancement initiatives, such as renovations, refurbishments and other measures to optimize the use of available space. These initiatives have typically demonstrated value-accretive returns on incremental capital expenditure.

We recently carried out refurbishment of our property at Malleswaram, Bengaluru. The property was initially leased on February 01, 2017 and the lease was renewed on December 04, 2023. Refurbishment work was carried out between December 2023 and March 2024. The project work included refurbishment of all rooms including guest bedrooms rooms and bathrooms, restaurant along with reception and lobby. All amenities were upgraded (matresses, linen, cutlery etc). Total expenses incurred on refurbishment cost amount to ₹ 108.24 Lakhs. Post refurbishment, the property was rebranded as “Grand Continent: A Sarovar portico Affiliate hotel”. ARR increased from sub ₹ 2,000/- to a range of ₹3,200/-.

Operational efficiencies and cost management

We effectively manage operating costs and drive synergies through central procurement tendering exercises and cluster purchase programs with our panel of suppliers, which are led by our asset management team. We benefit from favorable supplier rates in several areas, ranging from development and renovation costs to consumables such as food and beverages. In certain cases, we renegotiate supplier rates with our vendors on an annual basis.

**4. Professional and experienced management team**

Our business is led by a professional management team and Board of Directors, who come from diverse backgrounds with expertise in various fields such as private equity and investments, real estate and hospitality. We benefit from the industry experience, guidance and the vision of our Promoter, Mr. Ramesh Siva, who is also our Chairman and Managing Director and has more than two decades of experience in the hotel and hospitality industry. He has demonstrated ability to manage and grow operations organically and also by acquiring and integrating hotels. We also have a strong management team with significant industry experience and domain knowledge leading key aspects of our business.

**5. Well-positioned to benefit from strong industry tailwinds**

India has emerged as the fastest-growing major economy in the world with nominal GDP growth rate of 10.4% expected in 2024, backed by its robust democracy and strong partnerships. The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. With a median age of 29, India boasts one of the youngest populations globally. Each year, a substantial number of young citizens enter the workforce, contributing to the potential for a significant ‘demographic dividend’. A large working population also brings enhanced discretionary spending power and a greater inclination to travel, which could benefit the mid-scale hotel sector. Business and downtown hotels, as well as leisure hotels, can be expected to grow by offering a balance of quality services and value that aligns with this demographic’s travel needs and preferences.

“By 2036, India’s towns and cities will be home to 600 million people, or 40% of the population, up from 31% in 2011, with urban areas contributing almost 70% to GDP.” The urban population is significantly growing in India. It is estimated

to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in the year 2022. Urbanization creates the need for jobs, thereby attracting investment and development of multiple business sectors, including manufacturing and services. Growth in business and business opportunities due to increased urban-led activity is evidenced by increase in air traffic, wider real estate activity, and growth of hotels in several existing and newer markets in metro cites, primary and secondary cities and towns.

India proudly boasts a tapestry of geographical diversity, encompassing awe-inspiring world heritage sites and niche tourism offerings such as captivating cruise tourism, exhilarating adventure tourism, renowned medical tourism, and mesmerizing eco-tourism. These unique offerings have resulted in an exponential increase in tourist arrivals, opening up vast employment opportunities. The country, with a rich cultural and historical heritage, diversity in ecology, terrains, and myriad attractions, is one of the most popular holiday destinations worldwide, which has resulted in the rise of the Indian tourism and hospitality industry among all the services sectors in the country. A 2022 ICICI Direct survey highlighted this, noting Varanasi's remarkable 720 lakh tourists, which significantly surpassed Goa's 85 lakh visitors. According to the Ministry of Tourism, these religious hubs contributed approximately ₹1.3 lakh crore in revenue and attracted around 1.43 billion visitors in 2022. Contrary to the belief that spiritual tourism primarily appeals to older generations, this trend spans across age groups. Beyond the well-known destinations, lesser-explored cities are also seeing an increase in spiritual and religious tourism, driven by government initiatives.

As an initiative under India's G20 Presidency, the Ministry of Tourism, Government of India organized the country's first Global Tourism Investors' Summit (GTIS) to showcase opportunities for investment and trade while fostering tourism and development nationwide. The Swadesh Darshan scheme by the Ministry of Tourism aims to develop a comprehensive framework for the holistic development of tourist destinations. With an outlay of INR 1,750 Cr for FY 2024- 25 in the Union Budget 2024-25, the scheme is designed to promote responsible and sustainable tourism practices nationwide through collaborative efforts with the state governments, Union Territory authorities, and local governments. Swadesh Darshan 2.0 is the evolution of the existing flagship scheme, Swadesh Darshan, by the Ministry of Tourism to foster the spirit of Aatmanirbhar Bharat and promote the country as a prominent tourism destination. The scheme envisions developing sustainable and responsible tourism destinations with a focus on self-employment, youth skilling, private sector investments, and local culture.

Business travel remains a predominant source of demand for hotels located primarily in business-oriented locations such as Bengaluru Whitefield, Hinjewadi Pune, Gurugram, and Cyberabad in Hyderabad. India's economic growth, coupled with the rising number of small and medium sized enterprises (SMEs) and startups, has led to an uptick in business travel. (Source: Ken Research)

## OUR GROWTH STRATEGIES

**1. Developing and expanding our hospitality assets**

We plan to consolidate our hotel properties across Southern India to strengthen our presence in this region. At the same time, we are actively pursuing expansion opportunities in Northern and Western India, focusing on major business hubs and popular leisure destinations. Our goal is to identify and secure key properties in prime locations, which will enhance our market presence and cater to a broader customer base. We are also open to exploring opportunities in Central and Eastern India to ensure a well-rounded geographical footprint.

Our expansion strategy is ambitious, with a target of doubling our capacity every year for the next 5 years. This aggressive growth plan will position us as a resilient player in the domestic hospitality industry. As part of our long-term vision, we are also planning to expand into key international business hubs, allowing us to better serve our business customers on a global scale. This international expansion will enable us to tap into new markets, diversify our offerings, and further solidify our brand's presence worldwide.

**2. Improving operational efficiency to achieve superior performance.**

We seek to improve our operational efficiencies by implementing holistic asset management plans for our hotels. These include rationalizing sourcing costs, effective workforce management using technology to enhance productivity and drive occupancy and efficient energy management. For instance, on technology front, the company intends to undertake the following projects (a) Back-end process being integrated on cloud based SAAS platform for accounting, procurement, HR etc (b) Planning for a full-blown cloud based SAAS HMS to enable revenue management, reservation management, loyalty management.

The company will look to outsource functions that cannot be undertaken internally in a cost-effective manner and judiciously managing our use of electricity, fuel, water and other utilities.

We also plan to improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation. We are now planning to increase hospitality experience through retention, upskilling, improving employee experience, implementation of performance linked incentives etc. We have achieved best possible Key: People ratio over past three financial years and stub period ended on September 30, 2024, details of which are as follows:

| Fiscal | Staff linked to operations* | Keys* | Ratio |
|---|---|---|---|
| 2021-2022 | 58 | 192 | 0.3 |
| 2022-2023 | 71 | 329 | 0.2 |
| 2023-2024 | 231 | 531 | 0.4 |
| September 30, 2024 | 502 | 753 | 0.7 |

** No. of Employees and Operation Key data taken on last day of the year/period*

**3. Optimise capital efficiency through the adoption of our asset light model with an optimal portfolio of owned and leased hotels and to further strengthen, develop and expand our existing brand.**

We have developed an expertise of managing and operating hotels for over the last 13 years. As of September 30, 2024, we have 16 operational hotels with 753 rooms. In addition, we have mobilised 1 hotel in October 2024 and are mobilising another 1 hotel by November 2024 - taking the total portfolio to 18 hotels and approx. 850 keys. We have signed MOUs/LOI for another 5 properties in the upper mid-priced and mid-priced categories, adding about 346 rooms to our hotel portfolio.

We will continue to focus on building an asset light business with majority of assets under leased, or licensed and managed hotels and will seek to expand opportunistically based on overall opportunities. According to KEN Research, hotels in mid-scale category are expected to grow at a CAGR of 9% (revenue growth) and 5% (volume growth) between Fiscal 2023 to Fiscal 2029. Mid-Scale Hotels (Mid-priced and Upper Mid-priced together) constitute approximately 56.0% of the total room supply, signifying their dominance in catering to a broad spectrum of business and leisure travellers.

**OUR OPERATIONAL HOTEL PROPERTIES**

Set out below are details of our hospitality assets.

| Sr. No | Name of Hotel | Short Description of Location | Segment (Upper- Mid Priced, Mid-Priced and economy) | Owned \| Leased | Franchise Partner | No of keys |
|---|---|---|---|---|---|---|
| 1 | Hotel Regenta Inn Grand - 8th Block Koramangala | Koramangala, 8$^{th}$ Block, Bengaluru, Karnataka | Mid – Priced | Owned | Royal Orchid Group | 40 |
| 2 | Hotel Regenta Inn – Indiranagar | Indiranagar, Bengaluru, Karnataka | Mid – Priced | Owned | Royal Orchid Group | 40 |
| 3 | Hotel Tulip Inn - Ejipura Koramangala | Koramangala, Bengaluru, Karnataka | Mid – Priced | Leased | Sarovar Group | 54 |
| 4 | Hotel Grand Premier Suites - Malleswaram | Malleshwaram, Bengaluru, Karnataka | Mid – Priced | Leased | Sarovar Group | 34 |
| 5 | Hotel Grand Continent - Bannerghatta Road | Bannerghatta Road, Bengaluru, Karnataka | Economy | Leased | - | 24 |
| 6 | Hotel Regenta Inn - 4th block Koramangala | Koramangala, 4th Block, Bengaluru, Karnataka | Mid – Priced | Leased | Royal Orchid Group | 25 |
| 7 | Hotel Grand Continent Hotel – Hosur | Hosur, Tamil Nadu | Mid – Priced | Leased | Sarovar Group | 45 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 8 | Hotel Grand Continent Hotel – Secunderabad | Secunderabad, Telangana | Mid – Priced | Leased | Sarovar Group | 40 |
| 9 | Hotel Grand Continent Hotel – Anjuna | Anjuna, Goa | Upper – Mid Priced | Leased | Sarovar Group | 44 |
| 10 | Hotel Grand Continent Hotel - Hebbal Manyata | Kasaba hobli, Bengaluru, Karnataka | Upper – Mid Priced | Leased | Sarovar Group | 48 |
| 11 | Hotel Regenta Inn - ORR Mahadevapura | Mahadevpura, Bengaluru, Karnataka | Mid – Priced | Leased | Royal Orchid Group | 49* |
| 12 | Hotel Golden Tulip – Tirupati | Tirupati, Andhra Pradesh | Upper – Mid Priced | Leased | Sarovar Group | 88* |
| 13 | Hotel Grand Continent – Morjim | Morjim, Goa | Upper – Mid Priced | Leased | - | 38 |
| 14 | Grand Continent – Mysore | Mysore, Karnataka | Mid – Priced | Leased | Sarovar Group | 40 |
| 15 | Hotel Grand Continent - Brookfield | Bengaluru, Karnataka | Mid – Priced | Leased | Sarovar Group | 108 |
| 16 | Hotel Grand Continent - Devanhalli | Bengaluru, Karnataka | Mid – Priced | Leased | - | 36 |
| 17 | Hotel Grand Continent – Mahabalipuram | Chengalpattu, Tamil Nadu | Upper Mid - Priced | Leased | Sarovar Group | 42 |
| 18 | Hotel Grand Continent – Gachibowli | Rangareddy, Telangana | Mid – Priced | Leased | - | 41 |
| 19 | Hotel Grand Continent – Hi-Tech | Rangareddy, Telangana | Upper Mid – Priced | Leased | - | 80 |
| **TOTAL** | | | | | | **916** |

*Note:*
**Represents properties with JV Partner Entities. For more details on JV Partner Entities, please refer to section titled "History And Certain Other Corporate Matters".*

**DETAILS ON KEY PROPERTIES**

**1. HOTEL REGENTA INN GRAND, KORAMAGALA – BENGALURU (Owned property)**

Regenta Inn Grand, is a 40 keys business hotel nestled in the main commercial hub of Bengaluru with IT companies, banks and other commercial companies in close vicinity. It has fine-dining restaurant, Gymnasium and well-equipped meeting facility designed to cater the needs of modern business and leisure travellers. The property is designed in contemporary style and modern colour. Each room is well furnished with mindful and modern amenities, facilities to ensure a comfortable and happy stay for Corporates, leisure &family.

Nearby Locations: *(distance given is an approximation)*
• Kempegowda International Airport: 38 Kms
• Majestic Railway Station: 9 Kms
• Majestic Bus Stand: 8.5 Kms
• Cubbon Park: 6 Kms
• Karnataka Golf Association: 6 Kms
• Embassy Golf Link: 6 Kms

**Property Address**: No:3, 80 Feet Road, Opposite Indoor stadium, Koramangala 8th Block, Koramangala, Bengaluru, Karnataka 560 095

**Google location of property:** https://maps.app.goo.gl/mnLyXx4uRGVHupXf6

**Pictures of Property:**

**Key Operational metrics:**

Property Go- live date: February 17, 2021

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *40* | *40* | *40* | *40* |
| *Number of Restaurants* | *1* | *1* | *1* | *1* |
| *Number of banquet and conference halls* | - | - | - | - |
| *Number of meeting rooms* | - | - | - | - |
| *Occupancy (%)* | *88.49%* | *91.04%* | *88.25%* | *62.94%* |
| *ARR (₹)* | *3,476.05* | *3,564.23* | *2,846.57* | *2,070.46* |
| *RevPAR (₹)* | *3,075.87* | *3,244.81* | *2,512.19* | *1,303.12* |

**2. HOTEL REGENTA INN, INDIRANAGAR – BENGALURU (owned property)**

The Regenta Inn business hotel is located in the heart of the city and within the greater CBD area. The hotel is in close proximity to fortune 500 companies, tech parks, metro station, Manipal hospital, Indira nagar 100 feet road, high street shopping and entertainment hub of the city. The 40 well designed and comfortable rooms have neutral - toned walls, beds with soft linen, well-lit desks, modern and well-equipped bathrooms which are specially designed to suit the fast paced business traveller. The property has a fine-dining restaurant and a meeting room facility for business guests to host corporate seminars, interviews or meetings.

Nearby Locations: *(distance given is an approximation)*
• Kempegowda International Airport : 30Kms
• Majestic Railway Station : 10 Kms • Majestic Bus Stand :9.5 Kms
• Chinnaswamy Stadium : 5.9 km
• The Heritage Centre &Aerospace Museum: 6.6 km • Cubbon Park: 7 Kms
• Commercial Street - 4.6 Kms & Brigade Road : 5.3 Kms • Embassy Golf Link : 4 Kms

**Property Address:** 648B, 1st phase, 1st stage, Binnmangala, Indira Nagar, BENGALURU 560 038

**Google location of property:** https://maps.app.goo.gl/2L2QH89zEeEdsLDEA

**Pictures of Property:**

**Key Operational metrics:**
Property Go- live date: October 23, 2019

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *40* | *40* | *40* | *40* |
| *Number of Restaurants* | *1* | *1* | *1* | *1* |
| *Number of banquet and conference halls* | - | - | - | - |
| *Number of meeting rooms* | - | - | - | - |
| *Occupancy (%)* | *86.28%* | *85.90%* | *85.52%* | *65.71%* |
| *ARR (₹)* | *3,212.14* | *3,260.30* | *2,438.81* | *1,891.04* |
| *RevPAR (₹)* | *2,771.27* | *2,800.65* | *2,085.68* | *1,242.64* |

## 3. HOTEL TULIP INN, KORAMAGALA - BENGALURU

Tulip Inn is strategically located in Koramangala, within walking distance of major malls, shopping centres, eateries and hubs of entertainment. This 54-room property is designed in contemporary style and modern colour. Each room is well furnished with mindful and modern amenities to ensure a comfortable stay for Corporate, leisure travellers and family. The property combines benefits of plush living with new-age conveniences to attract business and leisure travellers. The property has a fine-dining restaurant and three banquet facilities which can also be used for corporate seminars and conferences.

Nearby Locations: *(distance given is an approximation)*
• Kempegowda International Airport : 38 Kms
• Majestic Railway Station: 9 Kms
• Majestic Bus Stand : 8.5 Kms
• Cubbon Park: 7 Kms
• Karnataka Golf Association : 6 Kms • Embassy Golf Link: 6 Kms

**Property Address:** 9, 100 Feet Rd, Ashwini Layout, Koramangala, Bengaluru, Karnataka 560 047

**Google location of property:** https://maps.app.goo.gl/BB4ZWTio8BrJ4qpLA

**Pictures of Property:**

**Key Operational metrics:**
Property Go- live date: February 04, 2022

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *54* | *54* | *54* | *54* |
| *Number of Restaurants* | *1* | *1* | *1* | *1* |
| *Number of banquet and conference halls* | *3* | *3* | *3* | *3* |
| *Number of meeting rooms / Private dining room* | *1* | *1* | *1* | *1* |
| *Occupancy (%)* | *81.89%* | *85.04%* | *85.82%* | *46.59%* |
| *ARR (₹)* | *3,438.57* | *3,297.38* | *3,082.70* | *2,694.89* |
| *RevPAR (₹)* | *2,815.92* | *2,804.21* | *2,645.71* | *1,255.66* |

## 4. HOTEL GRAND CONTINENT, HOSUR, TAMILNADU

Hosur, is an industrial town known for its thriving manufacturing sector, particularly in the field of automobiles and associated industries. Grand Continent hotel is situated in the heart of the city. The property has 45 well-appointed rooms and suites, fitness centre, restaurant serving local and international cuisine and two versatile banquet halls to cater to the needs of both business and leisure travellers. The property went live on 22nd November 2023

Nearby Locations: *(distance given is an approximation)*
• 76 km from Kempegowda International Airport
• 4km from Hosur Railway Station
• 2 km from Hosur Bus Stand
• 90 km from Hogenakal Waterfalls
• 4.6 Kms from Brahma Hills.
• 5.5 km from Maa Pratyangira Kalika Alayam

**Property Address:** 5, Bagalur Road, Hosur, Avalapalli Hudco, Tamil Nadu - 635109

**Google location of property:** https://maps.app.goo.gl/6Ms2RndTj5bu1m156

**Pictures of Property:**

**Key Operational metrics:**
Property Go-live date: November 22, 2023

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *45* | *45* | *n/a* | *n/a* |
| *Number of Restaurants* | *2* | *2* | *n/a* | *n/a* |
| *Number of banquet and conference halls* | *2* | *2* | *n/a* | *n/a* |
| *Number of meeting rooms* | *-* | *-* | *n/a* | *n/a* |
| *Occupancy (%)* | *91.25%* | *63.97%* | *n/a* | *n/a* |
| *ARR (₹)* | *3,186.14* | *3,250.12* | *n/a* | *n/a* |
| *RevPAR (₹)* | *2,907.37* | *2,078.97* | *n/a* | *n/a* |

## 5. HOTEL GRAND CONTINENT, ANJUNA, GOA

Anjuna Beach, Goa is a popular tourist destination which attracts party lovers, families, backpackers and water sports enthusiasts alike. Grand Continent hotel, a modern Goan-themed property enjoys a premium location with easy access to both Anjuna and Vagator beaches. The hotel features 44 rooms and suites complete with modern-day comfort and in-room amenities, a delightful multi-cuisine all-day dining and bar along with a spacious banquet hall. Leisure amenities include a swimming pool, state-of-the-art fitness centre and a holistic spa. The 44 rooms spread across 3 categories of rooms: Executive and Deluxe Rooms with Pool Views and Family Suites. The rooms and suites are designed in contemporary style and aesthetically furnished in a pleasing colour palette of cream, grey, taupe and deep blue, complementing the wooden flooring.

Nearby Locations: *(distance given is an approximation)*

- 39 km from Goa International Airport.
- 18 kms from Thivim Railway Station

- 8.5 k m s from Mapusa Bus Stand.

**Property Address:** H. No. 1702, Survey No. 262/2, Anjuna Bardez, NorthGoa-403509

**Google location of property:** https://maps.app.goo.gl/mmL1UDhCt9yiMyoS7

**Pictures of Property:**

**Key Operational metrics:**

Property Go-live date: March 28, 2024

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *44* | *44* | *n/a* | *n/a* |
| *Number of Restaurants* | *1* | *1* | *n/a* | *n/a* |
| *Number of banquet and conference halls* | - | - | *n/a* | *n/a* |
| *Number of meeting rooms* | - | - | *n/a* | *n/a* |
| *Occupancy (%)* | *38.88%* | *55.26%* | *n/a* | *n/a* |
| *ARR (₹)* | *3,775.70* | *5,509.81* | *n/a* | *n/a* |
| *RevPAR (₹)* | *1,467.94* | *3,044.89* | *n/a* | *n/a* |

## 6. HOTEL GOLDEN TULIP INN, TIRUPATI, ANDHRA PRADESH

Golden Tulip Inn, Tirupati, is equivalent to a 4 Star luxury hotel in the holy city of Tirupati. It is located at the foothills of Tirumala and is opposite 100 feet of Bypass Road near Alipiri Toll Plaza. It offers elegantly designed rooms for a comfortable stay for leisure and business travellers. The property houses 88 rooms and suites facing the holy hills of Tirumala, an exclusive vegetarian restaurant, a multi-cuisine fine dining restaurant and a spacious banquet hall for social and corporate events.

Nearby Locations: *(distance given is an approximation)*
• 20.6 km from Tirupati Airport
• 3.9 km from Tirupati Railway Station
• 23 km to Tirumala Lord Venkateshwara Swamy Temple

• 2 km from Tirupati Municipal Corporation Office
• 4 km from SVIMS Hospital
• 1 km from Alipiri - Tirumala Toll Plaza

**Property Address:** Near Kapil Theertham, Tirumala By-Pass Road, Tirupati, Andhra Pradesh, India 517 507

**Google location of property:** https://maps.app.goo.gl/Dk6aeEbCpj5XTk2SA

**Pictures of property:**

**Key Operational metrics:**

Property Go-live date: February 24, 2023

| Details | As at September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| *Number of keys* | *88* | *88* | *88* | *n/a* |
| *Number of Restaurants* | *1* | *1* | *1* | *n/a* |
| *Number of banquet and conference halls* | *1* | *1* | *1* | *n/a* |
| *Number of meeting rooms* | - | - | - | *n/a* |
| *Occupancy (%)* | *75.73%* | *71.22%* | *3.38%* | *n/a* |
| *ARR (₹)* | *3,715.79* | *3,816.29* | *3,971.15* | *n/a* |
| *RevPAR (₹)* | *2,814.00* | *2,717.90* | *134.09* | *n/a* |

## INFORMATION TECHNOLOGY

Our information technology ("IT") function leverages tools and systems to enhance operational efficiency and enhance the guest experience. Our IT system is primarily split into the front of the house and back of the house needs. We use applications for our property management, point of sale systems, financial systems, guest service requests, centralized reporting tools, in-room experience systems, and websites. These applications/systems undergo testing and comprehensive training before they

are deployed to ensure compliance with applicable regulations as well as to ensure smooth operations and information security for our guests, partners and employees

In the guest facing functions, Our Company uses world renowned property management system (PMS) platforms such as IDSnext and Hotelogix integrated with systems of our franchise partners in respect of hotels operated under franchise arrangement. We outsource the management of the modules to each of the module owners to ensure secure, compliant and scalable tech infrastructure.

These platforms deliver the needs of

- Central reservation system, integrated with the reservation engines of our franchise partners
- Check in, and check out procedures
- Rooms management
- Billing and invoicing

We provide various internet-based booking channels to our customers for making reservations at our hotels, including through our website[https://grandcontinenthotels.com/] and other third-party service providers. We utilize IDSnext / Hotelogix booking engine for direct bookings through our website, which allows us to monitor booking activity and trends, create customized booking experiences with dynamic filtering, integrate our membership and loyalty programs into the booking process, and display room price parity between our direct booking channels compared to online travel agents

We have integrated revenue management systems such as a comprehensive module of Zoho Books encompassing the following functions used for business management of the accounting and procurement functions:

- Total accounting functions
- Procurement programs (encompassing P2P life cycle)
- Financial reporting

Our Company is in the process of implementing

- a HRMS tool for management of functional needs of life-cycle of every employee;
- an AI enabled integrator that shall seamlessly talk to all the above-mentioned modules and help generate business analytics and reports; and
- An updated version of Our website to enable seamless omni channel integration to the PMS modules.

## SUPPLIERS

We depend on third-party outsourced suppliers for varies supplies including but not limited to F&B products such as dairy, fruits/vegetables, eggs/poultry/meat/fish, groceries etc., Hotel supplies such as crockery, cutlery, glassware, kitchen tools, linen etc; support services such as Cleaning agents, laundry, pest control, grey water management, etc., Capital goods/services such as signages, soft furnishings, interior refurbishments, furniture's, F&B service/production equipment, IT hardware etc., IT services, guest amenities including in-room amenities and common area requirements.

We typically enter into yearly agreements with our suppliers for F&B-related and room related consumables, most of which are located in India. We have well established relationships with our suppliers, which provides consistent quality and price and tenure-based rate contracts with many of these supply partners.

While there are many supplies that have variable pricing within the Fiscal (cooking fuels fruits/vegetables), Our Company has in the past ensured that such price variations are budgeted and has not passed on indiscriminate cost escalations to its' guests. However, to the extent possible and subject to prevailing market conditions, any increase in the prices of goods and services supplied will be passed on to our customers. For example, an increase in F&B commodity prices may result in an increase in prices of our F&B offerings. We are not dependent on any particular supplier, and for the Six months period ended September 30, 2024, no single supplier contributed to more than 5.00% of our total expenses and our top 10 suppliers did not contribute to more than 50% of our total expenses.

## COMPETITION

The hospitality industry in India is intensely competitive and we compete with large multinational and Indian companies in each of the regions in which we operate. Our hotels are in mid-scale hotel sector in India, consisting of the upper-mid priced, mid-priced and economy hotel segments. We generally experience competition from chain-affiliated hotels in the mid-scale hotel industry sector, as well as certain hotels in the upper upscale and upscale sectors. Our success is largely dependent upon our ability to compete in areas such as room rates, location of the property, brand recognition, quality of accommodation, service levels and the quality and scope of other amenities, including F&B facilities. For details of certain of our financials or

operational metrics as compared with our peers, according to the Ken Research, refer section titled "*Our Industry*", on page 143 of this Red Herring Prospectus.

Also, refer section titled "*Risk Factors- India's mid-scale hotel market is highly competitive and our inability to compete effectively may adversely affect our business, results of operations, cash flows and financial condition"* on page 38 of this Red Herring Prospectus.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at February 28, 2025, we have 658 permanent and contractual employees. We seek to maintain a culture of innovation by empowering our employees at all levels of our organization. Our success depends upon our ability to attract, develop, motivate and retain highly-skilled and multi-dimensional team members. The detailed breakup of our employees are as follows:

| Sr no. | Department | GCH | | GCH 1 | | GSHH | | Total |
|---|---|---|---|---|---|---|---|---|
| | | On Payroll | On Contractual basis | On Payroll | On Contractual basis | On Payroll | On Contractual basis | |
| 1 | Management | 2 | -- | -- | -- | -- | -- | **2** |
| 2 | Legal & Secretarial | 2 | -- | -- | -- | -- | -- | **2** |
| 3 | Account & Finance | 21 | -- | -- | -- | 2 | -- | **23** |
| 4 | Operations | 446 | 43 | 27 | 2 | 66 | -- | **584** |
| 4A. | Operations- In-house asset management team | 25 | -- | 1 | -- | 6 | -- | **32** |
| 5 | Management Support | 5 | -- | -- | -- | -- | - | **5** |
| 6 | Human Resource and Admin | 4 | -- | -- | -- | -- | -- | **4** |
| 7 | Sales & Marketing | 5 | -- | 1 | -- | -- | -- | **6** |
| | **Total** | **510** | **43** | **29** | **2** | **74** | **0** | **658** |

## INSURANCE

We maintain a range of insurance policies to cover our owned properties located at Bengaluru, Karnataka, against fire, earthquake and related perils.

| Sr no. | Policy No. | Insurance co. | Name of insurance policy | Assets/ Location of assets | Sum Insured (in ₹) | Premium (in ₹) excluding GST | Expiry date |
|---|---|---|---|---|---|---|---|
| 1 | 1021/355193619/00/000 | ICICI Lombard General Insurance Company Ltd | ICICI Lombard MSME Suraksha Kavach (Complete Fire Insurance) | Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Koramangala VI Bk, South Bengaluru, Bengaluru - 560095, Karnataka, India | 13,00,00,000 | 44,068 | August 05, 2025 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | 0102001124P113362874 | United India Insurance Company Limited | United Bharat Sookshma Udyam Suraksha Policy | 648B, 1st phase, 1st stage, Binnmangala, Indira Nagar, Bengaluru – 560038, Karnataka, India | 2,00,00,000 | 8,040 | November 30, 2025 |
| 3 | 6202346279 | Tata AIG General Insurance Company Limited | Auto Secure - Private Car Package Policy | Vehicle | 4,860,000 | 75,822 | December 27, 2025 |
| 4 | 1016/361264075/00/000 | ICICI Lombard General Insurance Company Limited | General Insurance | 9, 100 Feet Rd, Ashwini Layout, Koramangala, Bengaluru - 560047, Karnataka, India | 91,00,000 | 1,02,649 | September 23, 2025 |
| | | | | 26, Bannerghatta Slip Rd, BHBCS Layout, Stage 2, JP Nagar, Bengaluru - 560076, Karnataka, India | 36,00,000 | | |
| | | | | 18 19, Emerald Residency Building, 1ST Cross, Malleshwaram, Near Mantri Mall, Landmark - Al bek Restaurant, Bengaluru, Karnataka - 560003, India | 51,00,000 | | |
| | | | | 73, 1st Main Road, S.T. Bed,4th Block, Koramangala Bengaluru, Karnataka - 560034, India | 37,50,000 | | |
| | | | | No 74/15, Bagalur Road, Avalapalli, Opposite to Pantaloons, Hosur-635109, Tamil Nadu, India | 67,50,000 | | |
| | | | | No.43, House List No.115, Situated at Nagavara Village, Kasabahobli, Bengaluru North Taluk -560045, Karnataka, India | 72,00,000 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | 8-1-1, 2/1to 4 and 8-1-3/4/1 to 3, Oxford Street, S.D. Road, Secunderabad-500003, Telangana, India. | 60,00,000 | | |
| | | | | H. No. 1702, Survey No. 262/2, Anjuna, Bardez, North District of Goa -403509, Goa, India | 66,00,000 | | |
| | | | | Survey No. 207/7 of Village Morjim, known as Sakhribatle, Situated at Morjim within the limits of village Panchayat of Morjim, Taluka Pernem, North Goa – 403512, India | 60,00,000 | | |
| | | | | No. 32/1, New No. 7, Shalivahana Road, Nazarbad Mahalla, Mysore -570010, Karnataka, India | 60,00,000 | | |
| | | | | No.15, Downtown Park, Sadahalli Road Gate, Bangalore International Airport Road, Next to ITC Factory, Bengaluru - 562157, Karnataka, India | 60,00,000 | | |
| | | | | Outer Ring, Road No -3, Ferns City Road, Doddanekundi, Off - Outer Ring Road, Bengaluru 560037,Karnataka, India. | 83,50,000 | | |
| | | | | SY NO. 74/1, Opposite AECS Layout, ITPL Main Road, Thubarahalli-560066, Karnataka, India. | 1,62,00,000 | | |
| | | | | New S No 245/1A/1B Venpursham | 60,00,000 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Village, Mamallapuram, Veeralapakkam, Thiruporur, Chengalpattu, Tamil Nadu - 603110 | | | |
| 5 | 4002/361264435/00/000 | ICICI Lombard General Insurance Company Limited | Burglary Insurance Policy | 9, 100 Feet Rd, Ashwini Layout, Koramangala, Bengaluru, Karnataka 560047, Bengaluru, Karnataka, India. | 91,00,000 | 27,442.08 | September 23, 2025 |
| | | | | 811, 2/ 1to 4 And 813/4/1 To 3, Oxford Street, S.D. Road, Secunderabad - 500003,Telangana, India | 60,00,000 | | |
| | | | | No.15, Downtown Park, Sadahalli Road Gate, Bangalore International Airport Road, Next to ITC Factory, Bengaluru - 562157, Karnataka, India. | 60,00,000 | | |
| | | | | H. No. 1702, Survey No. 262/2, Anjuna, Bardez, North Goa - 403509. | 66,00,000 | | |
| | | | | No.43, House List No.115, Situated At Nagavara Village, Kasabahobli, Bengaluru - 560045, Karnataka, India | 72,00,000 | | |
| | | | | New S No 245/1a/1b Venpursham Village, Mamallapuram, Veeralapakkam, Thiruporur, Chengalpattu - 603110, Tamil Nadu. | 60,00,000 | | |
| | | | | Outer Ring, Road No 3, Ferns City Road, Doddanekundi, | 83,50,000 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Off Outer Ring Road, Bengaluru - 603110, Karnataka, India. | | | |
| | | | | 26, Bannerghatta Slip Rd, BHBCS Layout, Stage 2, JP Nagar, Bengaluru - 560076, Karnataka, India. | 36,00,000 | | |
| | | | | 18 19, Emerald Residency Building, 1st Cross, Malleshwaram, Near Mantri Mall, Bengaluru - 560003, Karnataka, India. | 51,00,000 | | |
| | | | | No 74/15, Bagalur Road , Avalapalli, Opposite To Pantaloons, Hosur635109, Tamil Nadu, India. | 67,50,000 | | |
| | | | | Survey No. 207/7 Of Village Morjim,Taluka Pernem, North Goa - 403512, Goa, India. | 60,00,000 | | |
| | | | | Sy No. 74/1, Opposite Aecs Layout, Itpl Main Road, Thubarahalli, Bengaluru - 560066, Karnataka, India. | 1,62,00,000 | | |
| | | | | 73, 1st Main Road, S.T. Bed,4th Block. Koramangala, Bengaluru - 560034, Karnataka, India. | 37,50,000 | | |
| | | | | No. 32/1, New No. 7, Shalivahana Road, Nazarbad Mahalla, Mysore - 570010, Karnataka, India. | 60,00,000 | | |
| 6 | 4025/361449944/00/000 | ICICI Lombard General Insurance Company Limited | Directors and Officers Liability Insurance | Directors and Officers | 85,00,00,000 (for all Claims in the aggregate during the | 4,50,000 | September 23, 2025 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Policy Period) | | |
| 7 | OG-25-1701-1825-00000477 | Bajaj Allianz General Insurance Co. Ltd | Bundled - Private Car Policy | Vehicle | 46,55,380 | 96,577 | April 18, 2027 |

## INTELLECTUAL PROPERTY RIGHTS

Our Company has filed applications under class 43 for registration of our current corporate logo with the Trade Marks Registry, Government of India under the Trademarks Act, 1999. The details of the same are as follows:

| Sr. No. | Trademark | Wordmark/ Label | Applicant | Trademark/ Application Number | Issuing Authority | Application Date | Class of Trademark | Status | Period of Validity |
|---|---|---|---|---|---|---|---|---|---|
| 1. | GRAND CONTINENT HOTELS | Word Mark | Grand Continent Hotels Private Limited | 5817036 | Controller General of Patents, Design & Trademark | February 21, 2023 | 43 | Registered | February 21, 2033 |
| 2. | | Device | Grand Continent Hotels Private Limited | 6476055 | Controller General of Patents, Design & Trademark | June 12, 2024 | 43 | Formalities Check Pass | - |

## LAND AND PROPERTY

**Registered Office and Corporate Office:**

| Sr no. | Location of the property | Purpose | Lease Rent* (in lakhs) | Lessor is a related party (including whether a member of the promoter/ promoter group) | Adequately Stamped/ Registered | Tenor | |
|---|---|---|---|---|---|---|---|
| | | | | | | From | To |
| 1 | S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India. | Registered Office | 15.00 | No | Yes | 30.09.2024 | 31.03.2031 |
| 2 | Old Katha No. 704, House List No. 637/2, New BBMP | Corporate Office | NA | Na | NA | Owned | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Municipal No. 3, situated at 3rd Main Road, K.R. Garden, Koramangala 8th Block, Bengaluru - 560095, Karnataka, India. | | | | | |

**per month as on February 28, 2025*

**Owned Properties**

| Sr no. | Property Details | State |
|---|---|---|
| 1 | Hotel Regenta Inn Grand - 8th Block Koramangala<br>Old Katha No. 704, House List No. 637/2, New BBMP Municipal No. 3, situated at 3rd Main Road, K.R. Garden, Koramangala 8th Block, Bengaluru - 560095, Karnataka, India. | Karnataka |
| 2 | Hotel Regenta Inn - Indiranagar<br>648B, 1st phase, 1st stage, Binnmangala, Indira Nagar, Bengaluru - 560038, Karnataka, India. | Karnataka |

**Operational Leasehold Properties**

| Sr no. | Location of the property | Lease Rent* (in lakhs) | Lessor is a related party (including whether a member of the promoter/ promoter group) | Adequately Stamped / Registered | Tenor | |
|---|---|---|---|---|---|---|
| | | | | | From | To |
| 1 | Hotel Regenta Inn - 4th block Koramangala<br>No. 73, 1st main road, S.T. Bed, Koramangala 4th block, Koramangala, Bengaluru - 560034, Karnataka, India. | 4.25 | No | Yes | 01.07.2022 | 30.06.2032 |
| 2 | Hotel Regenta Inn - ORR Mahadevapura Fern City Road, Doddanekkundi, K.R. Pura Hobli, Bengaluru - 560037, Karnataka, India. | 11.03 | No | No | 09.09.2022 | 08.09.2032 |
| 3 | Hotel Grand Continent – Secunderabad<br>Building No./Flat No. 8-1-1 2/1 to 4 and 8-1-3/4 to 3, Oxford Street, S.D. Road, Secunderabad - 500003, Hyderabad, Telangana, India. | 10.00 | No | Yes | 01.02.2024 | 31.01.2033 |
| 4 | Hotel Tulip Inn - Ejipura Koramangala<br>Municipal No. 9, 100 feet Road, Ejipura, Bengaluru - 560047, Karnataka, India. | 13.80 | No | Yes | 01.10.2021 | 30.09.2031 |
| 5 | Hotel Grand Premier Suites - Malleswaram<br>No. 18 &19, 1st cross, Malleswaram, Bengaluru - 560003, Karnataka, India. | 6.50 | No | No | Original lease date - 01.02.2017<br>Revised lease date - 04.12.2023 | 03.12.2032 |
| 6 | Hotel Grand Continent – Hosur | 10.16 | No | No | 28.08.2023 | 27.08.2031 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | No. 75, Ward no 3, Bagalur road, AvalapalliHudco, Hosur - 635109, Tamil Nadu, India. | | | | | |
| 7 | Hotel Grand Continent – Anjuna<br>H. No. 1702, Anjuna, Bardez - 403509, Goa, India. | 15.00 | No | No | 01.04.2024** | 31.03.2034 |
| 8 | Hotel Grand Continent - Hebbal Manyata<br>No. 115, site No. 43, Nagavara Village, Kasabahobli, Bengaluru - 560045, Karnataka, India. | 13.00 | No | No | 25.10.2023 | 30.06.2041 |
| 9 | Hotel Golden Tulip – Tirupati<br>Ward no. 20, Sivajyothi Nagar, near Nandi Circle, Tirupati - 517507, Andhra Pradesh, India. | 22.05 | No | No | 17.07.2022 | 16.07.2031 |
| 10 | Hotel Grand Continent - Bannerghatta Road<br>No. 26, Bharat House Building Co-operative Society, BTM Layout, Bengaluru - 560065, Karnataka, India. | 3.50 | No | No | Original lease date - 04.04.2016<br>Revised lease date - 01.01.2024 | 31.12.2033 |
| 11 | Hotel Grand Continent – Morjim<br>Survey No. 207/7, Sakhribatle,Morjim, Pernem - 403509 Goa, India. | 15.00 | No | No | 01.03.2024 | 28.02.2034^ |
| 12 | Grand Continent – Mysore<br>No. 7, ShalivahanaRoad, Nazarbad Mahalla, Mysore-570010, Karnataka, India. | 9.00 | No | Yes | 11.04.2024 | 10.04.2035 |
| 13 | Hotel Grand Continent – Brookfield<br>Sy no. 74/1, ITPL main road, Thubarahalli, Bengaluru-560066, Karnataka, India. | 22.00 | No | No | 01.04.2024 | 31.03.2034 |
| 14 | Hotel Grand Continent – Devanhalli<br>No. 15, Downtown Park, Sadahalli Road & Gate, Bangalore International Airport Road, Bengaluru-562157, Karnataka, India. | 9.75 | No | Yes | 01.03.2024 | 28.02.2034 |
| 15. | Hotel Grand Continent– Mahabalipuram<br>New S. No. 245/1A/1B, VenpurshamVillage, MamallapuramVeeralapakkam, Thiruporur, Chengalpattu, Tamil Nadu, India. Pincode-603110 | 15.00 | No | Yes | 30.09.2024 | 28.02.2031 |
| 16. | Hotel Grand Continent – Gachibowli<br>No. 5-3/9P/15P, PTIN No. 1262607804, Survey No. 222 | 13.50 | No | Yes | 29.11.2024 | 28.11.2029 |

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|---|---|---|---|---|---|---|
| | (Old), 222(New), Sai Tulasi Enclave –I, Vattinagulapally Village, Gandipet Mandal, Rangareddy, Telangana | | | | | |
| 17. | Hotel Grand Continent –Hi Tech City<br>Survey No. 10 (Part), White Fields, Kondapur Village, Serillingampally Mandal, Rangareddy, Telangana, India. | 22.50 | No | Yes | 01.03.2025 | 28.02.2033 |

**per month as on February 28, 2025*
*** property under possession since agreement date February 23, 2024*
*^considering automatically renewal term*

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.*

*Taxation statutes such as the Income Tax Act, 1961, and the relevant goods and service tax legislation apply to us as they do to any Indian company. For details of government approvals obtained by our Company, refer section titled "Government and Other Approvals" beginning on page 304 of this Red Herring Prospectus.*

*The information detailed in this section, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain.*

*The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.*

### INDUSTRY-SPECIFIC LEGISLATIONS APPLICABLE TO OUR COMPANY

***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**"), which 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 include 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**") lay 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.

***Hotel Classification Guidelines***

With the aim to provide contemporary standards of facilities and services available in the hotels, the Ministry of Tourism, Government of India ("**Tourism Ministry**") has issued guidelines dated January 19, 2018, for approving hotel related projects and their classification/re-classification. Pursuant to these guidelines, all hotel related projects are to be approved at implementation stage and classification for newly operational hotels, if approved by Tourism Ministry at project stage, must be sought within three months of commencing of the operations. Operating hotels may opt for such classification at any stage, however hotels seeking re-classification should apply for the same and complete the process at least six months prior to the expiry of the existing period of classification.

The guidelines prescribe constitution of Hotel and Restaurant Approval and Classification Committee ("**HRACC**"), which are required to inspect and assess the hotels based on the facilities and services offered by them and their compliance with the prescribed standards under the said guidelines. Basis the assessment by HRACC, the hotels can be classified either under 'Star Category' or 'Heritage Category', if such hotels apply for classification and are found fit for classification. Such classification shall be valid for a period of five years. 'Star Category' hotels include the following sub-categories: 5 Star Deluxe, 5 Star (with or without alcohol services), 4 Star (with or without alcohol services), 3 Star, 2 Star and 1 Star hotel.

Pursuant to the Tourism Ministry's guidelines for classification of heritage hotels, hotels running in palaces, castles, forts, havelies, hunting lodges or residences which were built prior to the year 1950 can seek classification in a heritage category. The classification into the sub-categories, Heritage, Heritage Classic or Heritage Grand, is based on the features and amenities of the hotel, including number of rooms, conformity of the general features and ambience to the overall concept of heritage and architectural distinctiveness, availability of sporting facilities, type of cuisine offered, quality of service and years of

experience of the owner/staff. The Tourism Ministry has also issued separate guidelines for approval and classification/reclassification of other types of hotels.

***State Laws***

We own and operate hotels in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, classification of fire prevention and safety measures 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.

***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992 ("Seventy-Fourth Amendment Act"), 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 ("Twelfth Schedule"). The Twelfth Schedule, added by the Seventy-Fourth Amendment Act, deals with the provisions that specify the powers, authority and responsibilities of Municipalities. In pursuance of this, 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, rest intervals, overtime, holidays, leave, health and safety measures, termination of service and wages for overtime work. There are penalties prescribed in the form of monetary fine or imprisonment for violation of these legislations.

***Police Laws and Fire Prevention Laws***

We own / lease 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 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.

***Lift and Escalators Legislations***

The State legislatures have also enacted laws for the regulation of installation, maintenance, and safe working of lifts and escalators and of all machinery and apparatus used for such lifts and escalators. Under such legislations, the owners of premises are required to apply for permissions to install and operate lifts and escalators from the prescribed statutory authority. Penalties have been prescribed for violation of the provisions of the legislations.

***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.

***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.

***The Tamil Nadu Tax on Professions, Trades, Callings and Employments Act, 1992***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

***Foreign Exchange Management Act, 1999 ("the FEMA"), Rules and Regulations***

The foreign investment in our Company is governed by, inter alia, the Foreign Exchange Management Act ("**FEMA**"), as amended, the FEMA Rules, the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") effective from October 15, 2020, issued and amended by way of press notes, which prescribe certain requirements with respect to downstream investments by Indian companies that are owned or controlled by foreign entities and with respect to foreign investment into India and transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners, as well as such transactions between foreigner. These requirements currently include restrictions on pricing, issue, transfer, valuation of shares and sources of funding for such investments, and may, in certain cases, require prior notice to or approval of the Government of India. In terms of the FDI Policy, 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 the foreign investment is sought to be made.

**LABOUR LAW LEGISLATIONS**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act,1936, the MinimumWages Act,1948,the Employee's State InsuranceAct,1948, the Employees' Provident Funds and Miscellaneous Provisions Act,1952, Payment of Gratuity Act, 1972,the Payment of BonusAct,1965, Maternity Benefit Act, 1961,the Child Labour (Prohibition and Regulation) Act,1986, the Right of Persons with Disabilities Act,2016, Contract Labour (Regulation and Abolition) Act, and Labour Welfare Fund Legislations.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes*:

a. Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes 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 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020, and other provisions of this code will be brought into force on a date to be notified by the Central Government.

b. Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. The provisions of this code will be brought into force on a date to be notified by the Central Government.

c. Code on Social Security, 2020("**Social Security Code**"), which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and

Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others. The Social Security Code received the assent of the President of India on September 28, 2020. Section 142 of the Social Security Code has been brought into force from May 3, 2021, by the Ministry of Labour and Employment, Government of India, ("MLE") through a notification dated April 30, 2021. The MLE, vide a notification dated May 3, 2023, as the effective date for enforcing certain provisions of the Social Security Code relating to the employees' pension scheme, inter alia, (a) to empower the Central Government to frame a scheme to be called the employees' provident fund scheme; and (b) to subsume certain provisions of the Employees' Pension Scheme, 1995 ("EPS") with the Social Security Code, and repeal the corresponding provisions pertaining to EPS under the EPF Act.

d. The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. It consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces certain old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, 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 Central Government 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 Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

***The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013***

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the Company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

**PROPERTY LAWS**

***Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 was intended to define and amend the existing laws and not to introduce any new principle. It applies only to voluntary transfers. The Transfer of Property Act, 1882 provides a clear, systematic and uniform law for the transfer of immovable property. Transfer of property means an act by which a person conveys the property to one or more persons, or himself and one or more other persons. The act of transfer may be done in the present or for the future. The person may include an individual, company or association or body of individuals, and any kind of property may be transferred, including the transfer of immovable property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The Transfer of Property Act, 1882 recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

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|---|---|
| **Sale** | The transfer of ownership in property for a price, paid or promised to be paid. |
| **Mortgage** | The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The Property Act recognizes several forms of mortgages over a property. |

| | |
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| **Charges** | Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties. |
| **Leases** | The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions. |
| **Leave and License** | The transfer of a right to do something upon immovable property without creating interest in the property. Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses. |

***Registration Act, 1908***

The Registration Act, 1908 has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act, 1908 is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act, 1908 identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the Property Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

***Legislations pertaining to Stamp Duty***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments in the respective schedules of the respective legislations pertaining to stamp duty as applicable in the State. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

**INTELLECTUAL PROPERTY LEGISLATIONS**

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

**COMMERCIAL LAWS**

***The Companies Act, 2013***

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on August 29, 2013. At present almost all the provisions of this law have been made effective except a few. The

Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Companies Act, 2013 provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

***SEBI Regulations***

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956,Securities Contract (Regulations) Rules, 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

***Indian Contract Act, 1872***

The Indian Contract Act, 1872 occupies the most important place in the commercial law. Without Indian Contract Act, 1872, it would have been difficult to carry on trade or any other business activity and in employment law. It is not only the business community which is concerned with the Indian Contract Act, 1872, but it affects everybody. The objective of the Indian Contract Act, 1872 is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

***Competition Act, 2002***

The Competition Act, 2002 aims to anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The act deals with prohibition of agreements and anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstance as mentioned under the act. The prima facie duty of the Competition Commission established under the act I to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

***The Sale of Goods Act, 1930 (Sale of Goods)***

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

***The Arbitration and Conciliation Act, 1996***

This act was enacted by Parliament in the 47$^{th}$ year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act are to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit n arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of

enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

***Negotiable Instruments Act, 1881***

Negotiable Instruments Act, 1881 was enacted to legalize the system by which instruments contemplated by it could pass from hand to hand by negotiation like any other goods. The purpose of the act was to present an orderly and authoritative statement of leading rules of law relating to the negotiable instruments. To achieve the objective of the act, the legislature thought it proper to make provision in the act for conferring certain privileges to the mercantile instruments contemplated under it and provide special procedure in case the obligation under the instrument was not discharged.

***Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complimentary to the provisions of the Indian Contract Act, 1872 and the Transfer of Property Act, 1882, as the act applies both to movable property and immovable property. The act applies in cases where the court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

***Limitation Act, 1963***

The law relating to law of limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on October 05, 1963 and which came into force from January 01, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

***Information Technology Act, 2000 and the rules notified thereunder (the "IT Act")***

The IT Act seeks to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents with the Government agencies. It also creates a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extra-territorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, it empowers the Government of India to direct any of its agencies to intercept, monitor or decrypting information generated, transmitted, received or stored in any computer source in the interest of sovereignty, integrity, defence and security of India, among other things.

***Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("Reasonable Security Practices Rules")***

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**Reasonable Security Practices Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data or information by a body corporate or any person acting on behalf of a body corporate. The Reasonable Security Practices Rules require a body corporate or any person who on behalf of body corporate collects, receives, possesses, stores, deals or handle information of provider of information to provide a privacy policy for handling of or dealing in personal information including sensitive personal data or information and ensure that the same are available for view by such providers of information who has provided such information under lawful contract. The Reasonable Security Practices Rules define sensitive personal data or information to include passwords, financial information such as bank account, credit card and payment instrument details, medical records and any detail relating to the aforementioned categories as provided to a body corporate for providing services and/or stored or processed by the body corporate under lawful contract or otherwise, however, any information that is freely available or accessible in public domain or furnished under law is not regarded as sensitive personal data or information under these rules. It further requires that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

***The Digital Personal Data Protection Act, 2023 (the "PDP Act")***

The PDP Act received the assent of the President of India on August 11, 2023. It seeks to provide for the processing of digital personal data in a manner that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful and other incidental purposes. It defines personal data to mean any data about an individual who is identifiable by or in relation to such data ("**Personal Data**"). It further defines a data fiduciary to mean any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data ("**Data Fiduciary**"), and a data principal to mean an individual to whom the Personal Data relates ("**Data Principal**"). The PDP Act applies to the processing of digital Personal Data within India where the Personal Data is collected in digital form or where it is collected in a non-digital form and is subsequently digitised. It also applies to processing of digital Personal Data outside of India, if such processing is in connection with any activity related to offering of goods or services to Data Principals within India. The PDP Act does not apply to Personal Data processed by an individual for any personal or domestic purpose, and Personal Data that is made publicly available by the Data Principal to whom such personal data relates or any other person who is under an obligation under any law for the time being in force in India to make such Personal Data publicly available. As per the PDP Act, a person may process the Personal Data of a Data Principal for a lawful purpose, for which the Data Principal has given her consent or for certain legitimate uses. 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 in relation to dealing with personal data and levies penalties for breach of obligations prescribed under the PDP Act.

***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 has repealed the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services and unlawful pricing. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attract criminal penalties. The Consumer Protection Act, 2019, has, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers and provides for mediation cells for the early settlement of disputes between the parties. It places liability on a product manufacturer / product service provider / product seller to compensate for the harm caused due to a defective product or deficiency in services. The Consumer Protection Act also enables the Central Government to take measures for preventing unfair trade practices in e-commerce.

***The Legal Metrology Act 2009***

The Legal Metrology Act, 2009 ("LMA") provides for establishing uniform standards of weights and measures regulate trade in weights, and other goods which are sold or distributed by weight, measure or number. Every manufacturer, repairer and seller shall have to obtain a license from the respective Controller. The LMA allows Government approved test centers to verify weights and measures.

**OTHER APPLICABLE LAWS**

In addition to the above, we may be governed by the provisions of the fire-safety related laws, contract act, foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business, operations and administration

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### Corporate Profile and Brief History of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Grand Continent Hotels Private Limited" pursuant to certificate of incorporation dated November 11, 2011 issued by the RoC, Chennai, Tamil Nadu bearing Corporate Identity Number U55101TN2011PTC083100. Subsequently, our Company was converted into public limited company pursuant to special resolution passed in the EGM held on May 27, 2024, and consequently, the name of our Company was changed to "Grand Continent Hotels Limited" and a fresh certificate of incorporation dated August 30, 2024 consequent upon conversion from private company to public company was issued by RoC, Central Processing Centre bearing CIN U55101TN2011PLC083100.

Mr. Ramesh Siva and Mrs. Vidya Ramesh were the initial subscribers to the Memorandum of Association of our Company. As on the date of this Red Herring Prospectus, Mr. Ramesh Siva and Mrs. Vidya Ramesh are the Promoters of our Company. For further information, please refer to the section titled *'Our Promoter and Promoter Group'* beginning on page 226 of this Red Herring Prospectus.

For information on our Company's business profile, activities, services, managerial competence, customers, growth, technology, marketing strategy, competition, our clients, the standing of our Company with reference to prominent competitors refer to the sections titled, **'***Our Business', 'Financial Information', 'Management's Discussion and Analysis of Financial Condition and Results of Operations' and 'Government and Other Approvals'* beginning on pages 162, 234, 268, 268 and 304 respectively of this Red Herring Prospectus.

### Changes in Registered Office

Our Registered Office is currently situated at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.

Except as disclosed below, there is no change in the Registered Office address of our Company from the date of incorporation till the date of this Red Herring Prospectus.

| From | To | Effective Date | Reason |
|---|---|---|---|
| Old No.23 New No.51 Eldams Road, Alwarpet, Chennai, 600018, Tamil Nadu, India. | S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India. | October 16, 2024 | For administrative convenience |

### Corporate Office-Address at which the books of accounts are maintained

Our Corporate Office is situated at Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India, where our books of accounts of are currently maintained.

### Main Objects of our Company

The main objects of our Company, as contained in the Memorandum of Association are as follows:

1. *To carry on the business of owning, operating, managing, or otherwise dealing in hotels, motels, lodges, hostels, resorts, club houses, health centres, business centres, refreshment rooms, bars, pubs, eateries, food parlours, bakeries, flight kitchen and catering services and to buy lands and develop small farms, build cottages and sell the same and maintain garden and the farm by employing labourers and to carry on the business of housekeeping services and other allied activities.*

2. *To build and maintain Clubs, Hotels, Resorts, Rooms and let and lease the premises and to carry on the business of Clubs, Hotels, Restaurant, Bar refreshment rooms, Holiday camps, Health Clubs, Recreational club, Sports Club, Entertainment place, swimming pools and other connected businesses and activities.*

3. *To provide complete health package services and spa services to individuals and corporate at Company owned hotels and resorts or at customers' home or office and to conduct yoga, aerobics and other health training and to open Premium*

*Health and Wellness centers in all parts of India and to provide ayurveda and health therapy with the aid of professional therapists and doctors and to provide facilities like oxygen parlours, ayurveda therapy room, fitness center, swimming pools with Jacuzzi, yoga room, library and to provide business center with internet, fax and copier facilities with fully equipped kitchen.*

The main objects and matters necessary for furtherance of the main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

**AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

Set out below are the amendments to our Memorandum of Association in the last 10 years immediately preceding the date of this Red Herring Prospectus:

| Date of Shareholders' Meeting | AGM/ EGM | Particulars of Changes in Memorandum of Association |
|---|---|---|
| March 01, 2021 | EGM | Clause V of MoA of our Company was amended to reflect increase and reclassification in authorised share capital of our Company from ₹ 1,00,000 consisting of 10,000 Equity Shares of ₹ 10 each to ₹ 1,01,00,000 consisting of 10,10,000 Equity Shares of ₹ 10/- each. |
| September 13, 2023 | EGM | Clause V of MoA of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 1,01,00,000 consisting of 10,10,000 Equity Shares of ₹ 10/- each to ₹ 6,00,00,000 consisting of 60,00,000 Equity shares of ₹ 10/- each. |
| May 27, 2024 | EGM | Clause V of MoA of our Company was amended to reflect increase in authorised share capital of our Company from ₹ 6,00,00,000 consisting of 60,00,000 consisting of ₹ 10/- each to ₹ 25,00,00,000 consisting of 2,50,00,000 Equity Shares of ₹ 10/- each. |
| May 27, 2024 | EGM | Clause I of MoA was amended pursuant to conversion of our Company from private limited to public limited and the name of our Company was changed from "Grand Continent Private Limited" to "Grand Continent Limited" and a fresh Certificate of incorporation dated August 30, 2024 bearing CIN U55101TN2011PLC083100 was issued by Registrar of Companies, Chennai, Tamil Nadu |

**ADOPTING NEW ARTICLES OF ASSOCIATION OF OUR COMPANY**

Our Company has adopted a new set of Articles of Association of our Company in accordance with applicable provisions of the Companies Act 2013, in an EGM of our Company dated May 27, 2024.

**MAJOR EVENTS AND MILESTONES**

The table below sets forth some of the key events in the history of our Company:

| Calendar Year | Event and milestone |
|---|---|
| 2011 | Incorporation of our Company |
| 2016 | Commencement of operations of first Hotel Grand Continent - Bannerghatta Road with 24 Keys |
| 2017 | Commencement of operations of Hotel Grand Continent - Malleswaram with 34 Keys |
| 2018 | Acquisition of Land and building at Indira Nagar, Bengaluru |
| 2018 | Acquisition of Land and building at Koramangala, Bengaluru, Karnataka, India |
| 2019 | Commencement of operations of Hotel Regenta Inn - Indiranagar with 40 Keys under Royal Orchid Brand. |
| 2019 | Commencement of operations of Hotel Regenta Inn Grand - 8th Block Koramangala with 40 Keys under Royal Orchid Brand. |
| 2022 | Commencement of operations of Hotel Tulip Inn - Ejipura Koramangala with 54 Keys under Sarovar Brand. |
| 2022 | Commencement of operations of Hotel Regenta Inn - ORR Mahadevapura with 49 Keys under JV Partner Entity "Grand Continent Hotels – 1" under Royal Orchid Brand. |
| 2022 | Commencement of operations of Hotel Regenta Inn - 4th block Koramangala with 25 Keys under Royal Orchid Brand. |
| 2023 | Commencement of operations of Hotel Golden Tulip - Tirupati with 88 Keys under JV Partner Entity "Grand Seven Hill Hotels", under Sarovar Brands, for expansion into spiritual destinations. |
| 2023 | Commencement of operations of the following hotels under Sarovar Brands:<br>a. Hotel Grand Continent – Hosur with 45 Keys; and |

| | |
|---|---|
| | b. Hotel Grand Continent - Hebbal Manyata with 48 Keys. |
| 2024 | Commencement of operations of Hotel Grand Continent – Secunderabad with 40 Keys under Sarovar Brands. |
| 2024 | Ventured into a new location at Anjuna, Goa by establishing Hotel Grand Continent - Anjuna with 44 Keys under Sarovar Brands. |
| 2024 | Commencement of operations of the following hotels:<br>a. Hotel Grand Continent - Mysore with 40 Keys under Sarovar Brands;<br>b. Hotel Grand Continent – Brookfield with 108 Keys under Sarovar Brands;<br>c. Hotel Grand Continent – Devanhalli with 36 Keys; and<br>d. Hotel Grand Continent – Morjim with 38 Keys. |
| 2024 | Expanded to 753 keys across 16 hotels located at states viz Karnataka, Goa, Telangana, and Tamil Nadu. |

**HOLDING COMPANY OF OUR COMPANY**

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

**SUBSIDIARY OF OUR COMPANY**

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary company.

**ASSOCIATE COMPANY**

As on the date of this Red Herring Prospectus, our Company does not have any associate company.

**JOINT VENTURE OF OUR COMPANY**

**A. M/s Grand Seven Hill Hotels**

M/s Grand Seven Hill Hotels was established on September 07, 2022 as an unregistered partnership firm by way of a partnership deed dated September 07, 2022 entered between our Company and Mr. R. Vijay Raghava Reddy. Further, the Company has entered into addendum to partnership deed dated June 01, 2024 with Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy. Its Permanent Account Number is AAYFG6888N. Its registered office is situated at No. 3, 80 Feet Road, Koramangala, 8th Block, Bengaluru 560 095, Karnataka, India.

***Nature of Business***

M/s Grand Seven Hill Hotels is currently involved in carrying out the business in the hospitality sector.

***Capital Structure***

The capital structure of M/s Grand Seven Hill Hotels as on the date of this Red Herring Prospectus is as follows:

| Partners | Capital Contribution (In ₹) | Ownership sharing ratio |
|---|---|---|
| Our Company | ₹ 5,00,000 (Rupees Five Lakh only) | 51% |
| Mr. R. Vijay Raghava Reddy | ₹ 5,50,00,000 (Rupees Five Hundred Fifty Lakhs only) | 20% |
| Mr. Ayush Vijay Reddy | Nil | 15% |
| Mr. Adith Vijay Reddy | Nil | 14% |

Note: As per Addendum to Partnership Deed dated June 01, 2024 ("**Addendum**"), Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy are entitled to fixed return. If the fixed return as agreed under the Addendum remains unpaid for three consecutive months the ownership sharing ratio of Our Company shall be automatically reduced by 1%.

**B. M/s Grand Continent Hotels - 1**

M/s Grand Continent Hotels-1 was established on May 09, 2022 as an unregistered partnership firm by way of a partnership deed dated May 09, 2022 entered into between our Company and LiftX India Ventures LLP. Further, the Company has entered into addendum to partnership deed dated October 01, 2024 with LiftX India Ventures LLP and Mr. Ajay Kumar Gupta. Its Permanent Account Number is AAYFG2559G. Its registered office is situated at No. 4, 8th Block, 80 Feet Road, Koramangala, Bengaluru 560030, Karnataka, India.

***Nature of Business***

M/s Grand Continent Hotels-1 is currently involved in carrying out the business in the hospitality sector.

***Capital Structure***

The capital structure of M/s Grand Continent Hotels-1 as on the date of this Red Herring Prospectus is as follows:

| **Partners** | **Capital Contribution (In ₹)** | **Ownership/ Profit-loss sharing ratio*** |
|---|---|---|
| Our Company | ₹ 50,00,000 (Rupees Fifty Lakh only) | 60% |
| LiftX India Ventures LLP | ₹ 50,00,000 (Rupees Fifty Lakh only) | 20% |
| Mr. Ajay Kumar Gupta | ₹ 50,00,000 (Rupees Fifty Lakh only) | 20% |

Note: *As per Supplementary Agreement dated October 01, 2024 ("**Supplemental Deed**") between the Company, LiftX India Ventures LLP and Mr. Ajay Kumar Gupta.

**ACCUMULATED PROFITS OR LOSSES**

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of any of our Joint Ventures that have not been accounted for by our Company.

**CAPACITY OR FACILITY CREATION AND LOCATIONS OF HOTELS**

For details pertaining to capacity / facility creation, location of hotels refer section "*Our Business*" on page 162 of this Red Herring Prospectus.

**TIME AND COST OVER-RUNS**

We require a number of regulatory permits, licenses and approvals at various stages of construction of our hotels. For details, refer section titled "*Government and Other Approvals*" on page 304. We have, from time to time, experienced delays in completion of construction of certain hotel projects from our initial estimated date/ period of completion, on account of delays in receiving relevant construction related approvals or, on account of changes in the hotel designs. As a result of such time delays, we have also experienced overruns in terms of cost for the projects already completed and capitalised, with respect to certain such hotel projects. In certain other instances, the costs we originally estimated were overrun on account of changes in the quality of the furniture and fixtures of our hotels. Such time and cost overruns are in the ordinary course of our business. Such time/ cost overruns involve risks and uncertainties.

**DEFAULTS OR RE-SCHEDULING OF BORROWINGS**

As on the date of this Red Herring Prospectus, there has been no default or re-scheduling/ re-structuring of borrowings availed by our Company from any financial institutions or banks.

**SIGNIFICANT STRATEGIC PARTNERS**

Except as disclosed below, as of the date of this Red Herring Prospectus, our Company does not have any significant strategic partner.

**SIGNIFICANT FINANCIAL PARTNERS**

Apart from the various arrangements with the bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners as on the date of this Red Herring Prospectus.

**LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details regarding key products or services launched by our Company, entry into new geographies or exit from existing markets, please refer the section titled '*Our Business*' beginning on page 162 of this Red Herring Prospectus.

**DETAILS REGARDING MATERIAL ACQUISITIONS OR MERGERS, AMALGAMATIONS IN THE LAST 10**

**YEARS**

As on date of this Red Herring Prospectus, our Company has neither made any material acquisitions nor entered into any scheme of merger, amalgamations in the last 10 years.

**DETAILS REGARDING DIVESTMENTS OF BUSINESS/ UNDERTAKINGS IN THE LAST 10 YEARS**

As on date of this Red Herring Prospectus, our Company has not divested any business/ undertaking in the last 10 years except as mentioned below.

**ANY REVALUATION OF ASSETS, IN THE LAST 10 YEARS**

As on date of this Red Herring Prospectus, our Company has not re-valued its assets in the last 10 years.

**MATERIAL AGREEMENTS**

As on the date of this Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company.

For details on business agreements of our Company, please refer to the section titled *'Our Business'* beginning on page 162 of this Red Herring Prospectus.

**SHAREHOLDERS' AGREEMENTS AND OTHER AGREEMENTS**

Except as disclosed below, as on the date of this Red Herring Prospectus, our Company has not entered into any shareholders' agreements nor is aware of any such agreement subsisting between the shareholders to which our Company is not a party.

**Share subscription agreements between Our Company and some of its shareholders**

Set out below are details of number of share subscription agreements executed by our Company with some of its investor shareholders ("**Share Subscription Agreements"):**

| Share subscription agreement dated | Name of investor shareholder | Issue Price (in Rs.) | Investor Shares | Aggregate Consideration (Rupees in Lakhs) |
|---|---|---|---|---|
| December 23, 2023 | Negen Undiscovered Value Fund | 250 | 2,00,000 | 500.00 |
| January 3, 2024 | Mr. Dhruv Gandhi* | 258 | 9,750 | 25.15 |
| January 3, 2024 | Mrs. Nipa Prashant Sheth* | 258 | 9,750 | 25.15 |
| January 8, 2024 | Mrs. Meeta Hiten Mehta* | 258 | 9,750 | 25.15 |
| January 8, 2024 | Odyssey Corporation Limited | 258 | 1,26,000 | 325.00 |
| February 14, 2024 | Mr. Ajay Jaisinghani | 258 | 24,500 | 63.21 |
| February 14, 2024 | Ms. Diypti Bharwani | 258 | 9,750 | 25.15 |
| February 14, 2024 | Mrs. Reina Ramesh Jaisinghani | 258 | 77,500 | 199.95 |
| February 14, 2024 | Ms. Ritika Jaisinghani | 258 | 29,250 | 75.46 |
| March 21, 2024 | Mr. Ajay Jaisinghani | 295 | 33,750 | 99.56 |
| March 21, 2024 | Mr. Giridhari Jaisinghani | 295 | 17,000 | 50.15 |
| March 21, 2024 | Meher Sahil Kukreja Trust | 295 | 7,000 | 20.65 |
| March 21, 2024 | Mittal Analytics Private Limited | 295 | 80,000 | 236.00 |
| March 21, 2024 | Mrs. Monisha Khanchandani | 295 | 8,500 | 25.07 |
| March 21, 2024 | Mrs. Reina | 295 | 33,750 | 99.56 |

| | | | | |
|---|---|---|---|---|
| | Ramesh Jaisinghani | | | |

** Our Company has agreed to arrange to make an initial public offering (IPO) of the Equity Shares of Our Company within 24 (Twenty-Four) Months from the closing date (as defined under respective Share Subscription Agreements)*

The key terms of the Share Subscription Agreements are as under:

1. The Company has agreed to arrange to make an initial public offering (IPO) of the Equity Shares of Our Company within 12 (Twelve) or 24 (Twenty-Four) Months from the closing date (*as defined under respective Share Subscription Agreements*).

2. It has been further agreed by the parties that in the event the Company fails to make an IPO within 12 (Twelve) / 24 (Twenty-Four) Months from the closing date or if the Board or its appointed committee determines that the Company shall not proceed with the IPO, Our Company has agreed to provide an exit opportunity to the investor at its sole option by way of:
   (a) buy back all of the Investor Shares held by the Investor at an IRR of 18%; or
   (b) permit Investor to continue to hold the Investor's Shares in the Company on the terms and conditions decided mutually between the Parties at that time; or
   (c) to find new purchaser(s) to buy the Investor Shares.

3. Until the IPO, the remuneration structure for the Promoter Directors of the Company is restricted to a fixed component capped at not exceeding lower of ₹ 30 (Thirty) lakhs per annum per Promoter Director or the amount derived by augmenting the Directors' remuneration from the preceding financial year by not more than the percentage growth in Profit After Tax (PAT) during the same period. In addition, each Director is eligible for a performance-linked pay, not exceeding 5% of the PAT, contingent upon surpassing predetermined performance targets as per the terms of the Share Subscription Agreements.

4. The Share Subscription Agreements will automatically be terminated upon completion of the IPO.

**OTHER AGREEMENTS:**

**Trademark License Agreement for the use of the brand name "Sarovar Portico"**

Our Company has entered into a following Trademark License Agreement with Sarovar Hotels Private Limited(as licensor) pursuant to which the Company has been granted a non-exclusive license to use the System including the brand name "Sarovar Portico" ("Brand Name"), reservation system, IPRs, standards, manual, know how, website of the Licensor, marketing and promotional materials and training programs and materials in connection with the operation of five of our key hotels located in Goa, Karnataka, Tamil Nadu and Telangana in the following manner:

| Sr. No. | Trademark License Agreement dated | Name of the Hotel Property | Use of Brand Name | Term |
|---|---|---|---|---|
| 1 | October 27, 2023 | Hotel Grand Continent – Hosur | Grand Continent Hotel Hosur<br>A Sarovar Portico Affiliate Hotel | From December 01, 2023 to August 27, 2031 |
| 2 | October 27, 2023 | Hotel Grand Continent - Hebbal Manyata | Grand Continent Hotel Manyata Bengaluru<br>A Sarovar Portico Affiliate Hotel | From December 01, 2023 to December 31, 2038 |
| 3 | February 19, 2024 | Hotel Grand Continent – Secunderabad | Grand Continent Hotel Secunderabad<br>A Sarovar Portico Affiliate Hotel | From March 01, 2024 to January 31, 2033 |
| 4 | March 13, 2024 | Hotel Grand Continent - Malleswaram | Grand Continent Hotel Malleswaram<br>A Sarovar Portico Affiliate Hotel | From March 20, 2024 to January 31, 2032 |
| 5 | March 13, 2024 | Hotel Grand Continent - Anjuna | Grand Continent Hotel Goa<br>A Sarovar Portico Affiliate Hotel | From April 1, 2024 to March 31, 2034 |
| 6 | July 03, 2024 | Hotel Grand Continent - Mysore | Grand Continent Hotel Mysore<br>A Sarovar Portico Affiliate Hotel | From August 1, 2024 to June 30, 2035 |
| 7 | August 29, 2024 | Hotel Grand Continent - Mahabalipuram | Grand Continent Hotel Mahabalipuram<br>A Sarovar Portico Affiliate Hotel | From November 01, 2024 to March 31, 2031 |

| | | | | |
|---|---|---|---|---|
| 8 | August 29, 2024 | Hotel Grand Continent - Brookfield | Grand Continent Hotel Brookfield - Bengaluru<br>A Sarovar Portico Affiliate Hotel | From November 01, 2024 to March 31, 2031 |

The key terms of the Trademark License Agreement are as under:

1. The non-exclusive license to use the Brand Name is subject to various condition inter alia Our Company is not permitted to affiliate or identify our aforesaid Hotels with another franchise system, reservation system, brand, registered mark during the Term; Our Company is required to obtain and maintain, as and when need all government licenses and consent required to operate and maintain our aforesaid Hotel; Our Company is required to obtain and maintain insurance of hotel property; and not to engage directly or indirectly in any cross-marketing or cross-promotion of the hotels with any other hotel or business. Our Company is not allowed to use the logo of the licensor
2. We have a continuing obligation to ensure that the hotels comply with the standards and reservation system necessary for operation of the hotel and upgrading to ensure that such broad standards are maintained
3. The Term of the agreement may extended/renewed for a further additional period of 5 years, as per the sole discretion of the licensor.
4. The Company has agreed to pay monthly fees linked to our gross revenue and gross operating profitability of the respective hotel for sales support and management services rendered by the licensor. Our Company has also agreed for distribution fees based on distribution/sales channel
5. Our Company is not entitled to exercise termination right upto 5(five) year from opening date and after that Our Company can terminate the agreement without cause by giving 3(three) years prior written notice and paying applicable liquidated damages to the licensor
6. In the event Our Company is in breach of its obligations under the said Agreement during the Term, it has agreed to provide liquidity damages and indemnify the Licensor for the same
7. This Agreement shall be governed by and construed in accordance with the laws of India. The parties agree to submit to the exclusive jurisdiction of the courts in Haryana. Any disputes arising from the terms of this Agreement shall be resolved through arbitration, with the seat of arbitration being Gurugram, India

**Franchise agreement in respect of "Regenta INN"**

Our Company has entered into a following franchise agreement with Royal Orchid Associated Hotels Private Limited (as "Regenta INN Franchisor") ("**Regenta INN Franchise Agreement**") pursuant to which the Company being franchisee has been granted a non-assignable, non-exclusive license to use the System including the brand name Regenta INN ("Mark"), reservation system, standards, manual, know how, Regenta Hotels purchasing programs and training programs and materials in connection with the operation of three of our hotels located in Karnataka in the following manner:

| Sr. No. | Trademark License Agreement dated | Name of the Hotel Property | Approved Name | Term |
|---|---|---|---|---|
| 1. | May 17, 2019 | Hotel Regenta Inn - Indiranagar | Regenta Inn or Peppermint | 15 years from effective date and extendable on mutual consent.<br>Lock in period - 10 years |
| 2. | July 01, 2019 | Hotel Regenta Inn Grand - 8th Block Koramangala | Regenta Inn or Peppermint | 15 years from effective date and extendable on mutual consent.<br>Lock in period - 10 years |
| 3. | September 09, 2022 | Hotel Regenta Inn - 4th Block Koramangala | REGENTA INN GRAND CONTINENT | 10 years from effective date and extendable for further period of 5 years.<br>Lock in period - 10 years |

The key terms of the Regenta INN Franchise Agreement are as under:

1. The non-exclusive franchise license to use the Mark/Approved Name is subject to various condition inter alia No change in approved number of guest rooms and significant change in the aforesaid hotels without prior approval of the Regenta INN Franchisor; Our Company is not permitted to use any other trademark, service mark name or symbol alone or in connection with Mark to identify our aforesaid Hotels or in operation of the Hotels during the Term; Our Company is required to maintain System Standard and reservation system; not to enter into any lease, management agreement or other similar arrangement for operation of the Hotel or any part thereof without prior approval of the Regenta INN Franchisor; and Our Company is required to obtain and maintain insurance of hotel property including loss of profit.

2. We have a continuing obligation to ensure that the hotels comply with the standards and reservation system necessary for operation of the hotel
3. The Company has agreed to pay monthly royalty/franchise fees linked to our gross room sales of the aforesaid hotels subject to minimum ₹1 Lakh per month
4. In the event the Company terminates the agreement within lock-in period, the Company has agreed to compensate Regenta INN Franchisor with the fees equivalent to the balance period of lock-in period along with an amount equivalent to three years projected franchise fees plus applicable taxes
5. The Company may terminate the agreement after lock-in period but before expiry of the Term by paying compensation of an amount equivalent to three years projected franchise fees plus applicable taxes
6. This Regenta INN Franchise Agreement shall be governed by and construed in accordance with the laws of India. Any disputes arising from the terms of this Regenta INN Franchise Agreement shall be resolved through arbitration, with the seat of arbitration being Bengaluru, India.

**Franchise agreement and licensing agreement in respect of "Tulip INN"**

Our Company has entered franchise agreement with Sarovar Hotels Private Limited (as "Tulip INN Franchisor") dated December 26, 2021("Tulip INN Franchise Agreement") pursuant to which the Company being franchisee has been granted a non-assignable, non-exclusive license to use the brand name Tulip INN ("Brand"), centralized reservation system, Golden Tulip standards, manual, know how, and training programs and materials in connection with the operation of Hotel Tulip Inn - Ejipura Koramangala. The Tulip INN Franchise Agreement shall end on tenth anniversary of the operation start date i.e. January 01, 2022 to December 31, 2031 ("Initial Term"). Further, the Initial Term shall be automatically extended for further period of 10 years ("Extended Term"). The Tulip INN Franchisor has been granted from third party/original licensee i.e. GT Investments B.V. (a company organized under the laws of Netherlands) the right to use and sub-license the Brand for the purpose Tulip INN Franchise Agreement. The original licensee i.e. GT Investments B.V. vide an Indefinite and non-exclusive agreement has granted a license of brand name Tulip INN to Louvre Hotels India private Limited (LHI). Hence, as a part of Tulip INN Franchise Agreement, Our Company has entered into trademark license agreement with the third party/ sub licensee i.e. LHI, pursuant to which a non-exclusive license has been granted to the Company to use the said Brand for the purpose of operating, publicising and marketing the hotel- Koramangala Property, Karnataka.

The key terms of the Tulip INN Franchise Agreement are as under:

1. The non-exclusive franchise license to use the Brand is subject to various condition inter alia the brand shall be used in accordance with terms of Tulip INN Franchise Agreement and the instructions of the Tulip INN Franchisor; Our Company is not permitted to use any other trademark, service mark name or symbol alone or in connection with Brand to identify our aforesaid Hotel or in operation of the Hotels during the Term; Our Company is required to maintain Golden Tulip standards and reservation system; not to enter into any lease, management agreement or other similar arrangement for operation of the Hotel or any part thereof without prior approval of the Tulip INN Franchisor; and Our Company is required to obtain and maintain insurance of hotel property.
2. The Company has agreed to pay royalty/franchise fees (linked to our gross room sales of hotel) on monthly basis, marketing contribution cost, royalty program fees and reservation fees.
3. In the event the Company terminates the agreement before expiry of the term for no default of the Tulip INN Franchisor, the Tulip INN Franchisor has right to charge the fees for maximum three calendar years based on average of fees paid in the preceding two years
4. This Tulip INN Franchise Agreement shall be governed by and construed in accordance with the laws of India. Any disputes arising from the terms of this Tulip INN Franchise Agreement shall be resolved through arbitration, with the seat of arbitration being New Delhi, India.

**Joint Venture Agreement:**

**Partnership Deed dated September 07, 2022 between our Company and Mr. R. Vijay Raghava Reddy ("R. Vijay") and addendum to partnership deed dated June 01, 2024 entered between our Company, Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy.**

Our Company entered into a joint venture (JV) structured as a partnership firm under the name M/s Grand Seven Hill Hotels through a partnership deed dated September 7, 2022, with Mr. R. Vijay ("**Principal Deed**"). The JV is engaged in the hospitality sector. The Principal Deed has been effective since September 7, 2022, and will remain in force from the date of execution unless terminated earlier. Further, the Company has entered into addendum to Principal Deed dated June 01, 2024 with Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy pursuant to which Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy are entitled for fixed return payable per month and if the fixed return remains unpaid for three consecutive months, then the ownership sharing ratio of the Company shall automatically reduce by 1% and will get transferred back to Mr. R. Vijay Raghava Reddy. For details, refer section titled "- *Joint venture of our Company*" above.

**Partnership Deed dated May 09, 2022 between our Company, and LiftX India Ventures LLP ("LiftX") and addendum to partnership deed dated October 01, 2024 entered between our Company, LiftX and Mr. Ajay Kumar Gupta.**

Our Company has formed joint venture (JV) in the nature of partnership firm in the name of 'M/s Grand Continent Hotels - 1' by entering into a partnership deed dated May 09, 2022 with LiftX ("**Original Deed**"). The JV has undertaken to do business in the hospitality sector. The Original Deed has been effective since May 09, 2022 and shall be in force from the date of execution unless terminated prematurely. Further, the Company has entered into Supplemental Deed with the Company, LiftX and Mr. Ajay Kumar Gupta pursuant to which LiftX has transferred 20% of contribution to the incoming partner- Mr. Ajay Kumar Gupta resulted into change in the capital contribution and profit and loss sharing ratio. For details, refer section titled *"- Joint venture of our Company*" above.

## AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE

As on the date of this Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel or Senior Management or Director or Promoter 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 with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## MATERIAL GUARANTEES GIVEN BY OUR PROMOTERS WITH RESPECT TO THE EQUITY SHARES

Except as disclosed in the section titled "*Financial Indebtedness*" beginning on page 289 of this Red Herring Prospectus, no material guarantees to any third party in respect of the Equity Shares have been provided by our Promoter Selling Shareholder participating in the Offer as of the date of this Red Herring Prospectus.

## OUR MANAGEMENT

### 1. Board of Directors

Pursuant to the requirements of the Companies Act, 2013 and the AoA, our Company is required to have not less than three Directors and not more than fifteen Directors, provided that our shareholders' may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As of the date of this Red Herring Prospectus, our Company comprises of 5 (Five) Directors on our Board, including 2 (Two) Executive Directors including 1 (One) Woman Director, 1 (One) Non-Executive Non-Independent Woman Director and 2 (Two) Non-Executive Independent Directors . Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

| Sr. No. | Name, designation, address, date of birth, age, experience, occupation, qualification, nationality, current term with date of appointment, period of directorship and DIN | Other directorships |
|---|---|---|
| 1. | **Mr. Ramesh Siva**<br><br>***Designation:*** Chairman and Managing Director<br><br>***Address:***<br>B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, 4th Phase, J P Nagar, Bengaluru South, Bengaluru, Karnataka - 560078<br><br>***Date of Birth:*** January 07, 1971<br><br>***Age:*** 54 years<br><br>***Experience:*** 21 Years<br><br>***Occupation:*** Business<br><br>***Qualification:*** Diploma in Hotel Management And Catering Technology from Institute of Hotel Management, Madras<br><br>***Nationality:*** Indian<br><br>***Current Term:*** For a period of five years, with effect from June 01, 2024, liable to retire by rotation.<br><br>***Period of Directorship:*** Since November 11, 2011.<br><br>***DIN:*** 02449456 | **Indian Companies:**<br>1. Elysium Holidays India Private Limited<br><br>**Foreign Companies:**<br>1. Grand Continent – FZCO<br>2. Grand Continent Hotel Management LLC |

| Sr. No. | Name, designation, address, date of birth, age, experience, occupation, qualification, nationality, current term with date of appointment, period of directorship and DIN | Other directorships |
|---|---|---|
| 2. | **Mrs. Vidya Ramesh**<br><br>***Designation:*** Whole-Time Director<br><br>***Address:***<br>B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, J P Nagar, 4th Phase, Bengaluru South, Bengaluru - 560078, Karnataka<br><br>***Date of Birth:*** March 13, 1978<br><br>***Age:*** 47 years<br><br>***Experience:*** 12 years<br><br>***Occupation:*** Business<br><br>***Qualification:*** Bachelor of Science in Mathematics from University of Madras and Diploma in Advanced Secretarial Course from Datamatics Institute of Management, Madras.<br><br>***Nationality:*** Indian<br><br>***Current Term:*** For a period of 5 years, with effect from June 01, 2024, liable to retire by rotation.<br><br>***Period of Directorship:*** Since November 11, 2011.<br><br>***DIN:*** 02127241 | **Indian Companies:**<br>1. Elysium Holidays India Private Limited<br><br>**Foreign Companies:**<br>1. Grand Continent – FZCO |
| 3. | **Ms. Deepthi Shiva**<br><br>***Designation:*** Non-Executive Non- Independent Director<br><br>***Address:***<br>B-1301, Vaishnavi Terraces, 4th Cross Dollars Colony, Behind Rainbow Childrens Hospital, JP Nagar 4th Phase, South Bengaluru - 560078 Karnataka.<br><br>***Date of Birth:*** March 06, 2001<br><br>***Age:*** 24 years<br><br>***Experience:*** 4 years<br><br>***Occupation:*** Business<br><br>***Qualification:*** Bachelor of Visual Communication from University of Madras.<br><br>***Nationality:*** Indian<br><br>***Current Term:*** With effect from December 31, 2020, liable to retire by rotation.<br><br>***Period of Directorship:*** Since December 31, 2020 | **Indian Companies:**<br>Nil<br><br>**Foreign Companies:**<br>Nil |

| Sr. No. | Name, designation, address, date of birth, age, experience, occupation, qualification, nationality, current term with date of appointment, period of directorship and DIN | Other directorships |
|---|---|---|
| | ***DIN:*** 08416405 | |
| 4. | **Mr. V Swaminathan**<br><br>***Designation:*** Non-Executive Independent Director<br><br>***Address:***<br>C-121, DLF Capital Greens, 15 Shivaji Marg, Moti Nagar, Ramesh Nagar, West Delhi-110015, Delhi.<br><br>***Date of Birth:*** May 09, 1966<br><br>***Age:*** 58 years<br><br>***Experience:*** 33 years<br><br>***Occupation:*** Business<br><br>***Qualification:*** Bachelors of Arts (Honours Course) in Economics from University of Delhi and Master of Finance and Control from University of Delhi.<br><br>***Nationality:*** Indian<br><br>***Current Term:*** Appointed for a period of 5 years, with effect from July 18, 2024 not liable to retire by rotation.<br><br>***Period of Directorship:*** Since May 31, 2024.<br><br>***DIN:*** 00238629 | **Indian Companies:**<br>1. Pas Digital Private Limited<br>2. RG IT Services Private Limited<br>3. Alt Travel and Hospitality Private Limited<br><br>**Foreign Companies:**<br>Nil |
| 5. | **Mr. Chandrasekhar Sundaram**<br><br>***Designation:*** Non-Executive Independent Director<br><br>***Address:*** B-7-604, L and T South City, Reliance Mart Arekere Mico Layout, Bengaluru South, Bannerghatta Road, Bengaluru, Bengaluru – 560076, Karnataka, India<br><br>***Date of Birth:*** October 11, 1968<br><br>***Age:*** 56 years<br><br>***Experience:*** 33 years<br><br>***Occupation:*** Professional<br><br>***Qualification:*** Member of the Institute of Cost and Works Accountants of India, post graduate diploma in business management from the Institute of Management Technology, Ghaziabad and Bachelors of Commerce (Honours Course) from University of Delhi.<br><br>***Nationality:*** Indian<br><br>***Current Term:*** Appointed for a period of 5 years, with effect from November 05, 2024, not liable to retire by rotation. | **Indian Companies:**<br>Nil<br><br>**Foreign Companies:**<br>Nil |

| Sr. No. | Name, designation, address, date of birth, age, experience, occupation, qualification, nationality, current term with date of appointment, period of directorship and DIN | Other directorships |
|---|---|---|
| | ***Period of Directorship:*** Since November 05, 2024.<br><br>***DIN:*** 00024184 | |

**2. Brief Biographies of Directors**

**Mr. Ramesh Siva** is one of the Promoters and currently the Chairman and Managing Director of our Company. He holds a diploma in Hotel Management and Catering Technology from Institute of Hotel Management, Madras. He has been actively involved in the day-to-day operations and currently overseeing & controlling the overall administration and business of the Company. He has vast work experience of more than 21 years in working with top brands in hotel management industry including as Chief Executive Officer of Sabari Inn Limited. He has been associated with the Company from its inception.

**Mrs. Vidya Ramesh** is one of the Promoters and Whole-Time Director of our Company. She holds a bachelor's degree of Science in Mathematics from University of Madras and Diploma in Advanced Secretarial Course from Datamatics Institute of Management, Madras. She has work experience of more than 12 years in the hotel management industry. She has been associated with the Company from its inception.

**Ms. Deepthi Shiva** is a Non-Executive Non-Independent Director of our Company. She holds bachelor's degree of science in visual communication from the University of Madras. She has work experience of more than 3 years in the hotel management industry. She has been associated with the Company from December 31, 2020.

**Mr. V Swaminathan** is a Non – Executive Independent Director of our Company. He holds a bachelor's degree in Arts (Honours Course) in Economics from University of Delhi and Master's degree in Finance and Control from University of Delhi. He has experience of more than 33 years in various fields of corporate advisory, merchant banking and portfolio management business. He is currently the Director of Alt Travel and Hospitality Private Limited and PAS Digital Private Limited.

Previously, he was a Director of Surya Herbal Limited, a contract manufacturing company in Ayurveda and Herbal products based in Noida. Also, he has worked as a Whole-time Director at Wealth Management Advisory Services Limited, a SEBI registered Portfolio Management company wherein he helped establish Portfolio Management business. He has acted as an Assistant Vice President & Vice President with SMIFS Capital Markets Limited and as a Financial Analyst with P.N. Vijay Financial Services Private Limited. He has been associated with the Company from May 31, 2024.

**Mr. Chandrasekhar Sundaram** is a Non – Executive Independent Director of our Company. He is Member of the Institute of Cost and Works Accountants of India, holds a post graduate diploma in business management from the Institute of Management Technology, Ghaziabad and a Bachelor's degree in Commerce (Honours Course) from University of Delhi. He has experience of more than 33 years in fields of financial planning analyses, reporting and controllership. Previously, he has worked as a director finance at DXC Technology Company, as principal at Mascon Global Limited as Manager at Champaklal Investment & Financial Consultancy Limited and P N Vijay Financial Services (P) Limited, and has been associated with Ballistic IT USA Inc and Schematic Finance Limited in various capacities. He has been associated with the Company from November 05, 2024.

**Confirmations**

- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of senior management.
- Other than statutory benefits upon termination of the employment in our Company on retirement, none of the Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.
- As on the date of this Red Herring Prospectus, none of our Directors are on the RBI list of wilful defaulters.
- As on date of this Red Herring Prospectus, none of our Directors are declared as Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Director is or was a director of any listed company during the last 5 years preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the stock exchange(s), during the term of their directorship in such Company.
- None of our Director is or was a director of any listed company which has been or was delisted from any recognized stock exchange during the term of their directorship in such company.

- None of the Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or persons in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company.

**3. Borrowing powers of our Board**

Pursuant to a special resolution passed by our shareholders at Extraordinary General Meeting held on August 24, 2024, our Board is authorised to borrow any sum of monies from time to time notwithstanding that the sum so borrowed together with the monies, if any, already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeding the paid up capital and free reserves of our Company provided that such amount does not exceed ₹ 7,500 lakhs.

**4. Remuneration/ compensation/ commission paid to our Managing Director, Executive Directors and Whole-Time Director:**

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole-Time Director:

| Particulars | Mr. Ramesh Siva | Mrs. Vidya Ramesh |
|---|---|---|
| Appointment / Change in Designation | Originally appointed as Director w.e.f. November 11, 2011.<br><br>Appointed as Managing Director w.e.f., June 01, 2024 vide Board Resolution dated May 10, 2024 and Shareholder Resolution dated May 27, 2024.<br><br>He has also appointed as Chairman of our Company. | Originally appointed as Director w.e.f. November 11, 2011.<br><br>Appointed as Whole-Time Director w.e.f., June 01, 2024 vide Board Resolution dated May 10, 2024 and Shareholder Resolution dated May 27, 2024. |
| Current Designation | Chairman and Managing Director | Whole-Time Director |
| Term of Appointment | 5 years<br>Liable to retire by rotation | 5 years<br>Liable to retire by rotation |
| Remuneration & Perquisites* | As mentioned below in Terms of appointment of Directors | As mentioned below in Terms of appointment of Directors |
| Compensation paid in the year 2023-24 | ₹ 30 lakhs | ₹ 30 lakhs |

** Vide Shareholders resolution dated September 10, 2024.*

**5. Payments or benefits to Directors by our Company**

Except as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities in the financial year ended March 31, 2024:

**Remuneration paid to our Directors in the financial year ended March 31, 2024:**

*(₹. In Lakhs)*

| Sr. No. | Name of Director | Remuneration Paid |
|---|---|---|
| 1. | Mr. Ramesh Siva | 30 |
| 2. | Mrs. Vidya Ramesh | 30 |
| 3. | Ms. Deepthi Shiva | Nil |
| 4. | Mr. V Swaminathan | Not Applicable* |
| 5. | Mr. Chandrasekhar Sundaram | Not Applicable* |

*****Mr. V Swaminathan and Mr. Chandrasekhar Sundaram were appointed on the Board of the Company with effect from May 31, 2024 and November 05, 2024 respectively.

## 6. Terms of appointment of Directors

### 1. Executive Directors

| | |
|---|---|
| Name | Mr. Ramesh Siva |
| Designation | Chairman and Managing Director |
| Remuneration per annum (including basic salary, perquisites, allowances but excluding bonus.) | Pursuant to the resolutions passed by our Board on September 04, 2024 and Shareholders on September 10, 2024, respectively, Mr. Ramesh Siva is entitled to receive a fixed remuneration of up to ₹ 10 Lakhs per month and perquisites subject to a ceiling as mentioned in appointment letter dated May 10, 2024, including but not limited to the following perquisites:<br>• Reimbursement of actual traveling and entertainment expenses: The traveling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.<br>• Reimbursement of expenses on mobile phone and landline phone at residence: As per rules of the Company.<br>• Provision of Company's Car with Driver: Free use of the Chauffeur driven Company's car and fuel expenses for use on the Company's business as well as for own use, in line with the position of Managing Director.<br>• House Allowance: The Company pays a house allowance at 60% of the Fixed Remuneration.<br>• Provident Fund, Superannuation benefits and Gratuity: As per the rules of the Company.<br>• Incentive Remuneration: Such incentive remuneration not exceeding 200% of salary to be paid at the discretion of the board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.<br>Further, he is also entitled to performance linked discretionary bonus, subject to a maximum of 10% of the Company's profit after tax, individually, capped at ₹ 800 Lakhs p.a. for collectively all Executive Directors. |
| Tenure of his appointment | 5 years w.e.f. June 01, 2024 |

There is no definitive and /or service agreement that has been entered into between our Company and Mr. Ramesh Siva in relation to his appointment.

| | |
|---|---|
| Name | Mrs. Vidya Ramesh |
| Designation | Whole-Time Director |
| Remuneration per annum (including basic salary, perquisites, allowances but excluding bonus.) | Pursuant to the resolutions passed by our Board on September 04, 2024 and Shareholders on September 10, 2024, respectively, Mrs. Vidya Ramesh is entitled to receive a fixed remuneration of up to ₹ 10 Lakhs per month and perquisites subject to a ceiling as mentioned in appointment letter dated May 10, 2024, including but not limited to the following perquisites:<br>• Reimbursement of actual traveling and entertainment expenses: The traveling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time. |

| | |
|---|---|
| | • Reimbursement of expenses on mobile phone and landline phone at residence: As per rules of the Company.<br><br>• Provision of Company's Car with Driver: Free use of the Chauffeur driven Company's car and fuel expenses for use on the Company's business as well as for own use, in line with the position of Managing Director.<br><br>• House Allowance: The Company pays a house allowance at 60% of the Fixed Remuneration.<br><br>• Provident Fund, Superannuation benefits and Gratuity: As per the rules of the Company.<br><br>• Incentive Remuneration: Such incentive remuneration not exceeding 200% of salary to be paid at the discretion of the board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.<br><br>Further, she is also entitled to performance linked discretionary bonus, subject to a maximum of 10% of the Company's profit after tax, individually, capped at ₹ 800 Lakhs p.a. for collectively all Executive Directors. |
| Tenure of her appointment | 5 years w.e.f. June 01, 2024 |

There is no definitive and /or service agreement that has been entered into between our Company and Mrs. Vidya Ramesh in relation to her appointment.

The termination clause of the appointment letter includes a condition for termination or discontinuation of service after giving a notice of a specified period. Accordingly, no separate agreement providing for benefits upon termination of employment is executed.

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the last 2 years. The above said remuneration and perquisites are subject to the ceiling laid down in Section 197 and Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by our Board upon the recommendation of the Nomination and Remuneration Committee and subject to the compliance of the applicable provisions, if any.

**Sitting fees**

Our AOA provides for payment of such amount of sitting fees, as the Directors may determine, from time to time, for attending every meeting of our Board or any committee of our Board, subject to the ceiling prescribed under the Companies Act 2013. Our Board of Directors have resolved in their meeting dated September 04, 2024 for payment of not exceeding ₹ 1 lakh per meeting to all the Non-Executive Directors of our Company for attending such meeting of our Board or committees thereof.

Further no sitting fees has been paid by our Company to our Non-Executive Non-Independent Director and Non-Executive Independent Directors for the Financial Year ended March 31, 2024.

**Bonus or profit-sharing plan for our Directors**

Except to the extent variable pay payable to Mr. Ramesh Siva and Mrs. Vidya Ramesh as a part of their remuneration, as on the date of this Red Herring Prospectus, our Company does not have any bonus or profit-sharing plan for our Directors.

**Shareholding of Directors in our Company**

Our AOA does not require our Directors to hold qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Red Herring Prospectus, on a fully diluted basis, is set forth below:

| Sr. No | Name | No. of Equity Shares | Percentage of the pre-Issue capital on a fully diluted basis (%) |
|---|---|---|---|
| 1. | Mr. Ramesh Siva | 94,50,000 | 50.65 |
| 2. | Mrs. Vidya Ramesh | 45,47,300 | 24.37 |
| 3. | Ms. Deepthi Shiva | Nil | Not Applicable |
| 4. | Mr. V Swaminathan | Nil | Not Applicable |
| 5. | Mr. Chandrasekhar Sundaram | Nil | Not Applicable |

**Interest of our Directors**

**a) Interest by way of Remuneration from our Company**

All the Directors may be deemed to be interested to the extent of remuneration, sitting fees and reimbursement of expenses payable to them under the AOA, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors are interested to the extent of personal guarantee given by them to our Company or by their relatives or by the companies / firms in which they are interested as directors/members/partners. For the details of Personal Guarantee given by Directors towards financial facilities of our Company please refer to section titled '*Financial Indebtedness*' and '*Financial Information' beginning* on page 289 and 234 respectively of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding 2 years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly.

Except as stated in the section titled '*Our Management*' or the section titled '*Financial Information - Related Party Transactions'* beginning on pages 205 and 234 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

For details, refer '*Our Management - Remuneration/ Compensation/ Commission paid to our Directors'* as beginning on page 205 of this Red Herring Prospectus.

**b) Interest as Members of our Company**

Our Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and/ or trustees pursuant to this Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

**c) Interest in formation and promotion of our Company**

Except Mr. Ramesh Siva and Mrs. Vidya Ramesh, none of our Directors have any interest in the promotion or formation of our Company. For further details, please refer to section titled *'Our Promoters and Promoter Group'* as beginning on page 226 of this Red Herring Prospectus.

**d) Interest in the property of our Company**

Except as disclosed in *'Our Properties'* as described in section titled *'Our Business'* beginning on page 162 and *'Related Party Transaction'* as described on page 232, of this Red Herring Prospectus, our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company.

**e) Interest in the business of our Company**

Except as stated in section titled *'Financial Information'* beginning on page234, our Directors do not have any interest in our business.

**f) Interest as creditors of our Company**

Our Directors are interested to the extent of unsecured loans or personal guarantee, if any, given by them to our Company or

by their relatives or by the companies/ firms in which they are interested as directors/ members/ partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as directors/ members/ partner. For the details of personal guarantee given by Directors towards financial facilities of our Company please refer to section titled ***'Financial Indebtedness'*** and section titled *'Financial Information'* beginning on pages 289 and 234 respectively of this Red Herring Prospectus.

**g) Interest as Key Managerial Personnel of our Company**

Mr. Ramesh Siva, Chairman and Managing Director; Mrs. Vidya Ramesh, Whole-Time Director; Mr. Mithun Jayaraman, Chief Financial Officer, and Ms. Aastha Kochar, Company Secretary and Compliance Officer of our Company are the Key Managerial Personnel of our Company and may be deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013 and AOA of our Company and to the extent of Equity Shares that may be held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than disclosed above, no other Director is interested as Key Managerial Personnel of our Company. For further details, please refer to section titled ***'Related Party Transactions'*** and section titled *'Financial Information'* beginning on page 232 and 234 of this Red Herring Prospectus.

**h) Other indirect interest**

Our Directors are also directors on the board, or are shareholders, members or partners of entities with which our Company has had transactions and may be deemed to be interested to the extent of the payments made by our Company, or services provided by our Company, if any, to these entities.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

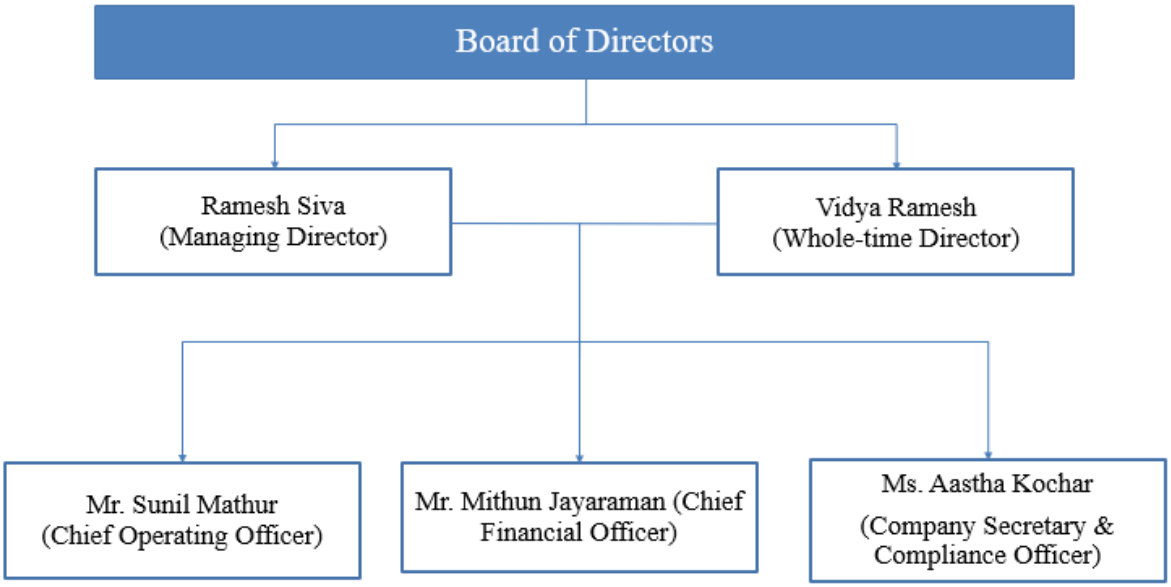
All the Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

**Changes in our Board during the last 3 years**

Except as disclosed below, there have been no changes in our Board during the last 3 years.

| Name | Date of Appointment/ Change/ Cessation w.e.f. | Reason |
|---|---|---|
| Mr. Ramesh Siva | June 01, 2024 | Designated as Managing Director |
| Mrs. Vidya Ramesh | June 01, 2024 | Designated as Whole-Time Director |
| Ms. Deepthi Shiva | July 12, 2024 | Change in designation from Executive Director to Non-Executive Non- Independent Director |
| Mr. Prem G Rajani | May 31, 2024 | Appointed as Additional Director |
| | June 27, 2024 | Change in designation from Additional Director to Non-Executive Independent Director |
| | October 28, 2024 | Resigned as Independent Director |
| Mr. V Swaminathan | May 31, 2024 | Appointed as Additional Director |
| | June 27, 2024 | Change in designation from Additional Director to Director |
| | July 18, 2024 | Change in designation from Director to Non-Executive Independent Director |
| Mr. Mithun Jayaraman | July 18, 2024 | Appointed as an Independent Director |
| | November 06, 2024 | Resigned as Independent Director |
| Mr. Chandrasekhar Sundaram | November 05, 2024 | Appointed as an Independent Director |

**ORGANISATION STRUCTURE**




**Corporate governance**

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations and SEBI ICDR Regulations, as may be applicable, will also be complied with to the extent applicable to our Company immediately upon the listing of the Equity Shares on the Designated Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof.

The Corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, there are 5 (five) Directors on our Board out of which 3 (three) are Non-Executive Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, SEBI ICDR Regulations, the Listing Agreement and the Companies Act, 2013.

**Committees of our Board**

Our Board has constituted committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees

a) Audit Committee
b) Stakeholders' Relationship Committee
c) Nomination and Remuneration Committee
d) IPO Committee
e) Internal Complaints Committee
f) Corporate Social Responsibility Committee

The details of the committees constituted are as follows:

***a. Audit Committee***

Our Company has reconstituted an Audit Committee, as per section 177 of the Companies Act, 2013 vide resolution passed at the meeting of our Board held on November 06, 2024.

**i. Composition**

The committee presently comprises the following 3 Directors:

| Name of Director | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Mr. V Swaminathan | Chairman | Non- Executive Independent Director |
| Mr. Chandrasekhar Sundaram | Member | Non- Executive Independent Director |
| Mr. Ramesh Siva | Member | Managing Director |

The Company Secretary of our Company shall act as the secretary of the Audit Committee.

**ii. Tenure**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

Set forth below are the scope, functions and the terms of reference of the Audit Committee in accordance with Section 177 of the Companies Act, 2013.

**iii. Role of the Audit Committee**

The role and responsibility of the Audit Committee not limited but shall include the following:

a. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
b. review and monitor the auditor's independence and performance, and effectiveness of audit process;
c. examination of the financial statement and the auditors' report thereon;
d. approval or any subsequent modification of transactions of the company with related party
e. scrutiny of inter-corporate loans and investments;
f. valuation of undertakings or assets of the company, wherever it is necessary;
g. evaluation of internal financial controls and risk management systems;
h. Such other role as specified by the Board of Directors from time to time;
i. To investigate any activity within its terms of reference;
j. To seek information from any employee;
k. To obtain outside legal or other professional advice; and
l. To secure attendance of outsiders with relevant expertise, if it considers necessary.
m. 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.
n. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
o. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    2. Changes, if any, in accounting policies and practices and reasons for the same;
    3. Major accounting entries involving estimates based on the exercise of judgment by management;
    4. Significant adjustments made in the financial statements arising out of audit findings;
    5. Compliance with listing and other legal requirements relating to financial statements;
    6. Disclosure of any related party transactions;
    7. Qualifications in the draft audit report.
p. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
q. 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 offer 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 to take up steps in this matter.

r. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
s. 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.
t. Discussion with internal auditors any significant findings and follow up there on.
u. 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.
v. 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.
w. 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.
x. To review the functioning of the Whistle Blower mechanism.
y. Approval of appointment of Chief Financial Officer (or the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
z. Evaluation of internal financial controls and risk management systems.
aa. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc.
bb. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
cc. Committee shall mandatorily review the following information:
    i. Management discussion and analysis of financial condition and results of operations;
    ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    iii. Internal audit reports relating to internal control weaknesses; and
    iv. The appointment, removal and terms of remuneration of the chief internal auditor, peer review auditor, if any.
    v. Statement of deviations:
        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 utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
dd. 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.

ee. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

ff. Such other role and responsibilities as stipulated under the Companies Act, 2013 and with Part-C Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, to the extent applicable.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The chairman of the Audit Committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

***b. Stakeholders' Relationship Committee***

Our Company has constituted a Stakeholders' Relationship Committee to redress complaints of the shareholders. The Stakeholders' Relationship Committee was reconstituted vide resolution passed at the meeting of our Board held on November 06, 2024.

**i. Composition**

The Stakeholders' Relationship Committee comprises:

| Name of Director | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Mr. V. Swaminathan | Chairman | Non- Executive Independent Director |
| Mr. Chandrasekhar Sundaram | Member | Non- Executive Independent Director |
| Ms. Deepthi Shiva | Member | Non- Executive Non-Independent Director |

The Company Secretary of our Company shall act as the secretary of the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

**ii. Tenure**

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

**iii. Role of the Stakeholders' Relationship Committee**

The Committee shall consider and resolve grievances of security holders, including but not limited to:

a. Resolving the grievances of the security holders of the 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.
b. Review of measures taken for effective exercise of voting rights by shareholders.
c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
e. Review statutory compliances relating to all shareholders.
f. Review of movements in shareholding and ownership structure of our Company.
g. Recommend measures for improvement of quality of investor services.
h. Conduct a Shareholder Satisfaction Survey to assess shareholders' views.
i. Suggest and drive implementation of various shareholder-friendly initiatives.
j. Such other role and responsibilities as stipulated under the Companies Act, 2013 read with Part-D Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, to the extent applicable.

***c. Nomination and Remuneration Committee***

Our Company has reconstituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013 by way approval taken at a Meeting of our Board held on November 06, 2024. The said committee is comprised as under:

**i. Composition**

The Nomination and Remuneration Committee comprises the following Directors:

| Name of Director | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Ms. Deepthi Shiva | Chairperson | Non – Executive Non - Independent Director |
| Mr. V. Swaminathan | Member | Non – Executive Independent Director |
| Mr. Chandrasekhar Sundaram | Member | Non – Executive Independent Director |

The Company Secretary of our Company shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

**ii. Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**iii. Role of the Nomination and Remuneration Committee:**

The Committee shall have the following roles and responsibilities, including but not limited to:

1. shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the

manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

2. shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board 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 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 an 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.
4. Formulation of criteria for evaluation of performance of independent directors and Board of Directors.
5. Devising a policy on diversity of Board of Directors.
6. Deciding on, 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.
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of our Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole time Director / Managing Directors.
10. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of our Company, standards prevailing in the industry, statutory guidelines etc.
11. To formulate and administer the Employee Stock Option Scheme.
12. recommend to the board, all remuneration, in whatever form, payable to senior management.
13. Such other role and responsibilities as stipulated under the Companies Act, 2013 and with Part-D Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, to the extent applicable.

***d. IPO Committee***

The IPO Committee was constituted by our Board on September 04, 2024.

| Name of Director / KMP | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Mr. Ramesh Siva | Chairman | Managing Director |
| Mrs. Vidya Ramesh | Member | Whole-time Director |
| Ms. Deepthi Shiva | Member | Non – Executive Non - Independent Director |

The Company Secretary of our Company shall act as the secretary to the IPO Committee.

The IPO Committee is also authorized to approve the following in connection to the initial public offering pursuant to a resolution passed by the Board on September 04, 2024.

The terms of reference of the IPO Committee include the following:

i. To issue, transfer, offer and allot Equity Shares, and deciding on other matters in connection with or incidental to the Offer, including the pricing and terms of the Equity Shares, the Offer price, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered in the Offer, the Offer opening and Offer closing date, in consultation with the Lead Manager and in accordance with the ICDR Regulations;

ii. To make applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Government of India, Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies, Chennai at Tamil Nadu ("RoC") or to any other statutory or governmental authorities in connection with the Issue as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus.

iii. To finalise, settle, approve, adopt and file the draft red herring prospectus with the Stock Exchange and SEBI, the red herring prospectus and prospectus with the Stock Exchange and SEBI, Registrar of Companies, Chennai at Tamil Nadu (the "RoC"), and other regulatory authorities (including the preliminary and final international wrap, and amending,

varying, supplementing or modifying the same, or providing any notices, clarifications, reply to observations, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Issue as finalised by the Company, and take all such actions in consultation with the book running lead manager (the "BRLM") as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, respective stock exchange where the Equity Shares are proposed to be listed, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws;

iv. To decide in consultation with the BRLM on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors and to accept any amendments, modifications, variations or alterations thereto, and/or reservation on a competitive basis, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws, and/or any discount to be offered to retail individual bidders participating in the Offer;

v. To appoint, instruct and enter into arrangements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, co-managers, underwriters to the Issue, syndicate members to the Offer, brokers to the Issue, escrow collection bankers to the Offer, auditors, independent chartered accountants, refund bankers to the Issue, public Offer account bankers to the Offer, sponsor bank, registrar, grading agency, industry expert, legal counsel, advertising agency(ies), monitoring agency and any other agencies or persons or intermediaries to the Issue, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the mandate letters and Offer agreement with the BRLM, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;

vi. To authorise the maintenance of a register of holders of the Equity Shares;

vii. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLM' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar of the Offer and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments, legal counsel, auditors, Stock Exchange, BRLM and other agencies/ intermediaries in connection with Issue and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Issue, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of the these documents;

viii. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened separate in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Issue, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

ix. To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, all concerned governmental and regulatory authorities in India or outside India and any other consents and/or waivers that may be required in relation to the Offer;

x. To approve any corporate governance requirements, if applicable that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the uniform listing agreement to be entered into by the Company with the stock exchange, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 2015, as amended, (given the proposed listing of the Company);

xi. To authorise and approve, the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and expenses in connection with the Issue;

xii. To determine and finalise, in consultation with the BRLM, the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue and minimum bid lot for the purpose of bidding, (including anchor investors Offer price), any revision to the price band and the final Offer price after bid closure, total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLM and do all such acts and things as may be necessary and

expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

xiii. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on stock exchange, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

xiv. To authorise and approve notices, advertisements in such newspapers and other media as it may deem fit and proper in relation to the Issue, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013;

xv. To do all such acts, deeds, matters and things and execute all such other documents, agreements, forms, certificates, undertakings, letters and instruments, as may deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

xvi. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;

xvii. To withdraw the draft red herring prospectus, red herring prospectus and the Issue at any stage, if deemed necessary, in accordance with the SEBI ICDR Regulations and Applicable Laws and in consultation with the BRLM;

xviii. To negotiate, finalise, sign, execute, deliver and complete the Offer agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue and the advertising agency(ies)and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto), in relation to the Offer.

xix. To make in-principle and final applications for listing of the Equity Shares in recognised stock exchange in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange;

xx. To authorize and empower any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue and to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares, for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange, the registrar agreement and memorandum of understanding, the depositories' agreements, the Issue agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the share escrow agreement, the escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the BRLM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

xxi. To determine the utilization of proceeds of the fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;

xxii. To determine the price at which the Equity Shares are offered, allocated, and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;

xxiii. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company;

xxiv. all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;

***e. Internal Complaints Committee***

The Internal Complaints Committee was re-constituted by our Board on September 24, 2024.

| Name of Members | Status in Committee | Nature of Directorship / Position in Company / Qualification |
|---|---|---|
| Mrs. Vidya Ramesh | Presiding Officer/ Chairperson | Whole-time Director |
| Ms. Niranchana Ramachandran | Member | Corporate Manager |
| Ms. Aastha Kochar | Member | Company Secretary and Compliance Officer |
| Ms. Divya Bankey Bihari Sharma | Nominated Member | Advisor at Scead Foundation India |

**Role & Duties of the Internal Complaints Committee**

The role and duties of the committee will be following:

1) Redressal of complaints filed with fairness and without bias,
2) Redressal of complaints filed within the time period of 90 days
3) Awareness workshops/activities to educate all employees of the Company about: Sexual harassment at workplace, its effects and laws against it, Filing a complaint with the ICC.
4) Drafting and reviewing of Sexual Harassment Policy.
5) Filing of Annual Reports with the District Officer.

f. ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was reconstituted by our Board on November 06, 2024 with the following members:

| Name of Director | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Mr. Chandrasekhar Sundaram | Chairman | Non – Executive Independent Director |
| Mr. Ramesh Siva | Member | Managing Director |
| Mrs. Vidya Ramesh | Member | Whole-time Director |

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 are as follows:

a. To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under and review thereof
b. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
c. To recommend to the Board the amount of expenditure to be incurred on the CSR activities
d. To monitor the implementation of framework of CSR Policy
e. To review the performance of the Company in the areas of CSR
f. To institute a transparent monitoring mechanism for implementation of CSR projects/ activities undertaken by the company
g. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
h. To submit annual report of CSR activities to the Board
i. To consider and recommend appointment of agency / consultant for carrying out impact assessment for CSR projects, if applicable, to the Board
j. To review and monitor all CSR projects and impact assessment report if applicable

k. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

**Policy on disclosures and internal procedure for prevention of insider trading**

The provisions of Regulation 9 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Designated Stock Exchange. We shall comply with the requirements of the Insider Trading Regulations on listing of Equity Shares on Designated Stock Exchange. Further, our Board at their meeting held on September 04, 2024 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Ms. Aastha Kochar, Company Secretary and Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**I.Key Managerial Personnel and Senior Management**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel and Senior Management of our Company as prescribed under the Companies Act, 2013. For details of our Managing Director and Whole Time Directors, please refer to the section titled ***'Our Management'*** beginning on page 205 of this Red Herring Prospectus.

**Key Managerial Personnel:**

**Mr. Ramesh Siva, Chairman and Managing Director**

**Mr. Ramesh Siva**, Chairman and Managing Director of our Company. For details, refer section titled ***'-Brief Biographies of Directors'*** beginning on page 205 of this Red Herring Prospectus. For details of compensation paid to him during Financial Year 2024, refer section titled *'-Terms of appointment of Directors'* beginning on page 205 of this Red Herring Prospectus.

**Mrs. Vidya Ramesh, Whole-time Director**

**Mrs. Vidya Ramesh**, Whole-time Director of our Company. For details, refer section titled ***'-Brief Biographies of Directors'*** beginning on page 205 of this Red Herring Prospectus. For details of compensation paid to him during Financial Year 2024, refer section titled *'-Terms of appointment of Directors'* beginning on page 205 of this Red Herring Prospectus.

**Mr. Mithun Jayaraman, Chief Financial Officer**

**Mr. Mithun Jayaraman,** aged 46 years**,** is the Chief Financial Officer of our Company with effect from November 6, 2024. He is a Chartered Accountant from the Institute of Chartered Accountants, India and holds a certificate in Hotel Revenue Management from Cornell University, USA. He has experience of more than 14 years in fields of finance management in hotel industry. Previously, he was deputed by The Indian Hotels Company Limited as Associate Vice President – Finance at PIEM Hotels and as Financial Controller at Taj Samudra, Colombo where he was recognized for his outstanding contribution as a member of team renovation. In his last professional assignment before joining the Company, he evaluated development projects and implements strategy programmes for leading hotel companies, including Tamara Hotels, Bengaluru.

**Ms. Aastha Kochar, Company Secretary and Compliance Officer**

**Ms. Aastha Kochar,** aged 29 years, is the Company Secretary and Compliance Officer of our Company w.e.f. September 24, 2024. She holds bachelor's degree in business administration from the IIS (deemed to be university), Jaipur. She is a qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India holding membership number – 63630. She is having over 1.5 years of work experience in handling secretarial and legal matters. Prior to joining our Company, she was associated with Prabhat Technologies (India) Limited and GB Global Limited as Company Secretary and Compliance Officer.

**SENIOR MANAGEMENT PERSONNEL:**

**Mr. Sunil Kumar Mathur, Chief Operating Officer**

**Mr. Sunil Kumar Mathur**, aged 67 years, is the Chief Operating Officer of the Company. He holds a Bachelor's degree of Arts (Honours Course) in Economics from the University of Delhi and Diploma in Hotel Management from Oberoi School

of Management. He also holds Executive Program in General Management, Massachusetts Institute of Technology, USA. He has more than 40 years' experience in the hotel management industry. Previously he has been associated with Babylon Oberoi, with Central Park Hospitality Services Private Limited as Head - Hospitality Services, with Choice Hospitality (India) Private Limited as Senior Vice President and Chief Operating Officer, with Dusit Bird Hotels Private Limited as Regional Vice President, with ITC Limited as Executive Assistant Manager (Foods & Beverages), with Newby S.E. Asia PTE Limited as CEO, with Raheja Hotels Limited as Corporate General Manager, with Sabari Inn Private Limited as Executive Director, with V. M. Salgaocar & Bro Private Limited as Business Head – Hospitality, with Hotel Leelaventure Limited as Corporate Human Resource Manager and at RCI India Private Limited as Director of Development - Indian Ocean and Middle East. He has been associated with our Company since June 24, 2024.

**Status of Key Managerial Personnel and Senior Management Personnel**

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

**Relationship between Key Managerial Personnel and Senior Management Personnel**

None of the above-mentioned Key Managerial Personnel and Senior Management Personnel are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

**Relationship of our Directors/ and Promoters with Key Managerial Personnel or Senior Management Personnel**

Except as provided below, none of our Key Managerial Personnel or Senior Management Personnel of our Company are related to our Directors/ and Promoters within the meaning of Section 2 (77) of the Companies Act, 2013:

| Name of the KMP / SMP | Designation of KMP / SMP | Name of the Related Party | Designation of Related Party | Nature of Relationship with KMP / SMP |
|---|---|---|---|---|
| Mr. Ramesh Siva | Managing Director | Mrs. Vidya Ramesh | Whole-time Director | Spouse |
| Mrs. Vidya Ramesh | Whole-time Director | Mr. Ramesh Siva | Managing Director | Spouse |
| Mr. Ramesh Siva | Managing Director | Ms. Deepthi Shiva | Non-Executive Non-Independent Director | Daughter |
| Mrs. Vidya Ramesh | Whole-time Director | Ms. Deepthi Shiva | Non-Executive Non-Independent Director | Daughter |

**Shareholding of the Key Managerial Personnel and Senior Management Personnel**

Except as disclosed below, none of our Key Managerial Personnel and Senior Management hold any Equity Shares of our Company as on date of this Red Herring Prospectus. For details of shareholding of the Key Managerial Personnel and Senior Management, please refer to the section titled *'Capital Structure'* beginning on page 100 of this Red Herring Prospectus.

| Sr. No | Name of Key Managerial Personnel and Senior Management Personnel | Designation | No. of Equity Shares |
|---|---|---|---|
| **Key Managerial Personnel** | | | |
| 1. | Mr. Ramesh Siva | Managing Director | 94,50,000 |
| 2. | Mrs. Vidya Ramesh | Whole-time Director | 45,47,300 |
| 3. | Mr. Mithun Jayaraman | CFO | Nil |
| 4. | Ms. Aastha Kochar | Company Secretary and Compliance Officer | Nil |
| **Senior Management Personnel** | | | |
| 5. | Mr. Sunil Kumar Mathur | Chief Operating Officer | Nil |

**Remuneration/ compensation paid to our Key Managerial Personnel and Senior Management Personnel**

As on the date of this Red Herring Prospectus, except as mentioned below, our Company has not paid any remuneration / compensation to the Key Managerial Personnel's and Senior Management Personnel during the last Financial Year for year ended March 31, 2024.

| Sr. No. | Name of KMP/SMP | Designation | Remuneration paid *(₹ in Lakhs)* |
|---|---|---|---|
| **Key Managerial Personnel** | | | |
| 1. | Mr. Ramesh Siva | Managing Director | 30 |

| | | | |
|---|---|---|---|
| 2. | Mrs. Vidya Ramesh | Whole-time Director | 30 |
| 3. | Mr. Mithun Jayaraman | CFO | Not Applicable* |
| 4. | Ms. Aastha Kochar | Company Secretary and Compliance Officer | Not Applicable* |
| **Senior Management Personnel** | | | |
| 5. | Mr. Sunil Kumar Mathur | Chief Operating Officer | Not Applicable* |
| | **Total Remuneration paid** | | 60 |

***** Ms. Aastha Kochar was appointed as Company Secretary and Compliance Officer with effect from September 24, 2024, Mr. Mithun Jayaraman was appointed as the Chief Financial Officer with effect from November 06, 2024 and Mr. Sunil Kumar Mathur was appointed as Chief Operating Officer with effect from June 24, 2024.

**Bonus or profit-sharing plan for our Key Managerial Personnel and Senior Management Personnel**

Except to the extent of variable pay payable to Mr. Ramesh Siva and Mrs. Vidya Ramesh as a part of their remuneration, as on the date of this Red Herring Prospectus, our Company does not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel and Senior Management Personnel.

**Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel**

As on the date of this Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management Personnel has received or is entitled to any contingent or deferred compensation.

**Loans given/ availed by Key Managerial Personnel and Senior Management Personnel**

As on the date of this Red Herring Prospectus, there are no loans availed by or given by Key Managerial Personnel and Senior Management Personnel.

**Service contracts with Key Managerial Personnel and Senior Management Personnel**

Other than statutory benefits upon termination of the employment in our Company on retirement, none of the Key Managerial Personnel and Senior Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

**Interest of Key Managerial Personnel and Senior Management Personnel**

Our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Our Key Managerial Personnel and Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held in our Company, if any.

Except as disclosed in this Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in the section titled *'Related Party Transactions'* and the section titled *'Financial Information'* beginning on pages 232 and 234 respectively of this Red Herring Prospectus and described herein above, Our Key Managerial Personnel and Senior Management Personnel do not have any other interest in the business of our Company.

**Changes in Key Managerial Personnel and Senior Management in the last 3 years**

Other than as mentioned below, there has been no change to our Key Managerial Personnel and Senior Management Personnel since the incorporation of our Company.

Set forth below are the changes in our Key Managerial Personnel in the last 3 (three) years immediately preceding the date of this Red Herring Prospectus:

| **Name** | **Date of Appointment/ Change/ Cessation w.e.f.** | **Reason** |
|---|---|---|
| Mr. Ramesh Siva | June 01, 2024 | Designated as Managing Director. |

| | | |
|---|---|---|
| Mrs. Vidya Ramesh | June 01, 2024 | Designated as Whole-Time Director. |
| Mr. Ananthakrishnan V | February 06, 2024 | Appointed as Chief Financial Officer. |
| | November 06, 2024 | Resigned as Chief Financial Officer. |
| Mr. Mithun Jayaraman | November 06, 2024 | Appointed as Chief Financial Officer. |
| Mrs. Uma Jhawar | May 10, 2024 | Appointed as Company Secretary and Compliance Officer of the Company. |
| Mrs. Uma Jhawar | September 24, 2024 | Resignation as Company Secretary and Compliance Officer of the Company. |
| Ms. Aastha Kochar | September 24, 2024 | Appointed as Company Secretary and Compliance Officer of the Company. |
| Mr. Sunil Kumar Mathur | June 24, 2024 | Appointed as Chief Operating Officer. |

**Payment of benefit to officers of our Company**

Except as stated in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in preceding 2 years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section titled ***'****Financial Information'* beginning on page 234 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, our Key Managerial Personnel and Senior Management personnel or our Promoters.

**Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel or members of senior management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer to section titled '*History and Certain Other Corporate Matters*' beginning on page 196 of this Red Herring Prospectus.

**Employees Stock Option Scheme for employees**

As on the date of the Red Herring Prospectus, the Company does not have any Employees Stock Option Scheme for employees.

## OUR PROMOTERS AND PROMOTER GROUP

### A. OUR PROMOTERS:

The Promoters of our Company are:

1. Mr. Ramesh Siva
2. Mrs. Vidya Ramesh

As on the date of this Red Herring Prospectus, our Promoters, together hold an aggregate of 1,39,97,300 Equity Shares, representing 75.02 % of the pre-issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer to the section titled *'Capital Structure'* beginning on page 100 of this Red Herring Prospectus.

**Brief Profile of Our Promoters**

| **1. Mr. Ramesh Siva** | |
|---|---|
| | **Mr. Ramesh Siva,** aged 54 years, is the Promoter and the Chairman and Managing Director of our Company. He has been associated with our Company as a Director since incorporation of the Company. |
| | **Age:** 54 years |
| | **Date of Birth:** January 07, 1971. |
| | **Personal Address:** B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, 4th Phase, J.P. Nagar, Bengaluru South, Bengaluru, Karnataka - 560078 |
| | **PAN:** AETPR6739J |
| | **Nationality:** Indian |
| | For the complete profile of Mr. Ramesh Siva, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships, special achievements, his business and financial activities, refer section titled '*Our Management*' on page 205 of this Red Herring Prospectus. |

| **2. Mrs. Vidya Ramesh** | |
|---|---|
| | **Mrs. Vidya Ramesh,** aged 46 years, is the Promoter and is also a Whole-Time Director of our Company. She has been associated with our Company as a Director since incorporation of the Company. |
| | **Age:** 47 years |
| | **Date of Birth:** March 13, 1978 |
| | **Personal Address:** B 1301, Vaishnavi Terraces, 4th Cross, Dollars Colony, Behind Rainbow Hospital, 4th Phase, J.P. Nagar, Bengaluru South, Bengaluru, Karnataka - 560078. |
| | **PAN:** AEBPV3448Q |
| | **Nationality:** Indian |
| | For the complete profile of Mrs. Vidya Ramesh, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships, special achievements, her business and financial activities, refer section titled '*Our Management*' on 205 of this Red Herring Prospectus. |

**Confirmations/ Declarations:**

We declare and confirm that the details of PAN, passport, driving license, Aadhaar card and bank account number of our Promoters will be submitted to the NSE Emerge where the Equity Shares are proposed to be listed at the time of filing the Draft Red Herring Prospectus.

**Interests of Promoters**

**Interest in promotion of our Company**

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their

respective equity shareholding and the shareholding of their relatives in our Company, for which they are entitled to receive the declared dividend, and other distribution in respect of the Equity Shares held by them or their relatives that may be made by our Company in the future, to the extent that our Company have undertaken transactions or business arrangements with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest; or to the extent that their relatives are employees of our Company and are paid remuneration by our Company and to the extent reimbursement of expenses payable by our Company. For details pertaining to our Promoters' shareholding, please refer the sections titled '*Capital Structure*' and '*Our Management*' on pages 100 and 205, respectively of this Red Herring Prospectus.

As on date of the Red Herring Prospectus, there are no unsecured loans extended by our Promoters and other related parties to our Company.

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company.

Our Promoters are not interested as a member of a firm or company having any interest in the Company for which any sum are paid or agreed to be paid to our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as a director, or otherwise for services rendered by our Promoters or by such firm or company, in connection with the promotion or formation of our Company.

**Interest in the property, land, construction of building, supply of machinery, etc.**

Except as mentioned in the section titled '*Our Business*', our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 3 (three) years before the date of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Except as disclosed below, our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

The Company vide its letters dated June 19, 2024, July 18, 2024, have permitted Mr. Ramesh Siva and Mrs Vidya Ramesh to use the words "Grand Continent" in the name of Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC, respectively. Pursuant to above letters, Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC have been restricted to operate outside their respective jurisdictions viz., UAE and London, United Kingdom. The Company can operate in the said jurisdictions without any restrictions.

**Material Guarantees Given to Third Parties**

As on the date of this Red Herring Prospectus, none of our Promoters have given material guarantees to the third party(ies) with respect to the Equity Shares of our Company.

**Payment or Benefits to Promoters or Promoter Group in the Last 2 Years**

Except as stated in the sections titled *'Our Management*' and in *'Related Party Transactions' forming part of "Financial Information of the Company"* beginning on pages 205 and 232, respectively, there has been no amounts paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding 2 years nor there are any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

**Litigation Involving Our Promoters**

As on the date of this Red Herring Prospectus, there are no litigations involving our Promoters.

**Change in the Control of our Company**

There has not been any change in control of our Company in the five years immediately preceding the date of this Red Herring Prospectus. However, pursuant to resolutions dated September 04, 2024 and September 10, 2024 adopted by the Board of Directors and shareholders of the Company, Mr. Ramesh Siva and Mrs. Vidya Ramesh have been identified as Promoters.

**Other ventures of our Promoters**

Except as disclosed below and in *"Our Management"* beginning on page 205 of this Red Herring Prospectus, our Promoters are not involved in any other venture.

## B. Our Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations are set out below:

***(a) Natural persons who are part of the Promoter Group***

| Name of the Promoter | Name of the immediate relative | Relationship with the Promoter |
|---|---|---|
| Mr. Ramesh Siva | Vidya Ramesh | Spouse |
| | S. Vasantha | Mother |
| | Ganesh Shiva | Brother |
| | Nirmala Murali | Sister |
| | Darshan Shiva | Son |
| | Deepthi Shiva | Daughter |
| | Kumudhini S | Spouse's Mother |
| | Vimala V | Spouse's Sister(s) |
| Mrs. Vidya Ramesh | Ramesh Siva | Spouse |
| | Kumudhini S | Mother |
| | Vimala V | Sister |
| | Darshan Shiva | Son |
| | Deepthi Shiva | Daughter |
| | S. Vasantha | Spouse's Mother |
| | Ganesh Shiva | Spouse's Brother |
| | Nirmala Murali | Spouse's Sister |

***Note**: Mr. Darshan Shiva & Mr. Ganesh Shiva, relatives of our Promoters, do not have PAN as they are Non-Resident Indians.*

(b) ***Bodies corporate / Entities forming part of the Promoter Group***

| Sr. No. | Nature of Relationship | Name of the Promoter Entities/Company |
|---|---|---|
| 1. | Body corporate in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his/her immediate relatives is a member | • Elysium Holidays India Private Limited<br>• Grand Cloud Hotels India LLP<br>• Grand Continent - FZCO<br>• Grand Continent Hotels Limited (England and Wales)<br>• Grand Continent Hotel Management LLC |
| 2. | Any company in which a company mentioned in (1) above, holds 20% or more of the equity share capital | Nil |
| 3. | Any HUF or trust or firm in which the aggregate share of the Promoter and his/her immediate relatives is equal to or more than 20% of the total share capital | • Grand Hotels and Resorts |

**Relationship of our Promoters with our Directors**

Except as disclosed below, none of our Promoters are related to any of our Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

| Name of the Promoter | Name of the Related Director | Relationship with Promoter |
|---|---|---|
| Mr. Ramesh Siva | Mrs. Vidya Ramesh | Spouse |

| | | |
|---|---|---|
| Mrs. Vidya Ramesh | Mr. Ramesh Siva | Spouse |
| Mr. Ramesh Siva | Ms. Deepthi Shiva | Daughter |
| Mrs. Vidya Ramesh | Ms. Deepthi Shiva | Daughter |

**COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST 3 YEARS**

Our Promoters have not disassociated themselves from any companies or firms during the preceding 3 years from the date of filing of this Red Herring Prospectus.

**Common Pursuits/Conflict of Interest**

Other than as disclosed in the section titled *'Our Group Companies'* beginning on page 230 of this Red Herring Prospectus, our Promoters do not have any interests in any venture that is involved in any activities similar to those conducted by our Company.

The Company vide its letters dated June 19, 2024, July 18, 2024 have permitted Mr. Ramesh Siva and Mrs Vidya Ramesh to use the words "Grand Continent" in the name of Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC, respectively. Pursuant to above letters, Grand Continent – FZCO, Grand Continent Hotels Limited (England and Wales) and Grand Continent Hotel Management LLC have been restricted to operate outside their respective jurisdictions viz., UAE and London, United Kingdom. The Company can operate in the said jurisdictions without any restrictions. Except as stated above, currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

**Confirmations**

- Our Promoters, members of our Promoter Group, Promoter Group entities/ companies have not been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed for any reasons by the SEBI or any other authority or governmental authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
- No disciplinary action including penalty imposed by SEBI or stock exchange against our Promoters in the last five financial years including outstanding action;
- Our Promoters are not a promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority;
- Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of Fugitive Economic Offenders Act, 2018;
- Our Promoters have not been identified as a wilful defaulter or fraudulent borrower by RBI or any other Government authority;
- There are no violations of securities laws committed by them in the past or any such proceedings are pending against them;
- Except as disclosed in section titled '*Outstanding Litigations and Material Developments*' beginning on page 300 of this Red Herring Prospectus, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters preceding the date of this Red Herring Prospectus; and
- Except as disclosed in section titled *'Financial Information*' and '*Related Party Transactions'* beginning on page 234 and 232, respectively of this Red Herring Prospectus, our Promoters, members of our Promoter Group, Promoter Group entities/ companies are not related to any of the sundry debtors or are not beneficiary of Loans and Advances given by/to our Company.
- For details of the involvement of our Promoters in other ventures which are engaged in the same line of activity or business as that of our Company, refer section titled "*Risk Factors – 9 - Certain of our Joint Ventures, Group Company and Promoter Group entities incorporated in India or outside India have common pursuits as they are engaged in similar business or industry segments and may compete with us* " on page 38 of this Red Herring Prospectus.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Promoters and Subsidiaries) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., Indian GAAP), as per the Restated Consolidated Financial Statements, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than our Promoters, Subsidiaries and companies categorized under (i) above) have been considered material and shall be disclosed as a group company in this Red Herring Prospectus if: (i) such company is a member of the Promoter Group; and (ii) our Company has entered into one or more transactions with such company during the six month ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and 2022 which individually or cumulatively in value exceeds 10% of the total consolidated income of our Company for the latest fiscal year derived from the Restated Consolidated Financial Statements.

**Details of our Group Company**

**ELYSIUM HOLIDAYS INDIA PRIVATE LIMITED**

Elysium Holidays India Private Limited was incorporated on August 05, 2010, under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Coimbatore, Tamil Nadu**.**

**CIN:** U55101TZ2010PTC016273

***Registered Office***

The registered office of Elysium Holidays India Private Limited is located at Shree Chinmayam, 152, Ramalingam Colony S A H S College Post, Coimbatore, Coimbatore - 641043, Tamil Nadu, India,

***Financial Performance***

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the limited review of latest financial statements available of Elysium Holidays India Private Limited for the Fiscals 2024, 2023 and 2022 are available on https://grandcontinenthotels.com/

***Litigation which has a material impact on our Company***

Except as disclosed in section titled *"Outstanding Litigations and Material Developments"* page 300 of this Red Herring Prospectus, there are no pending litigation involving our Group Company.

There are no litigations involving our Group Company which will have a material impact on our Company.

***Nature and extent of interest of Group Company***

**a. Interest in the promotion of our Company**

Our Group Company has no interest in the promotion of our Company.

**b. Interest in the property acquired or proposed to be acquired by the Company**

Our Group Company has no interest in the properties acquired by our Company in the three preceding years before filing this Red Herring Prospectus or proposed to be acquired by our Company.

**c. Interest in transactions for acquisition of land, construction of building, or supply of machinery**

Our Group Company has no interest in any transactions for acquisition of land, construction of building or supply of machinery, etc.

***Common pursuits among our Group Companies and our Company or its Subsidiaries / Joint Ventures***

Our Group Company, Elysium Holidays India Private Limited, is in the same line of business as that of our Company and of our Joint Ventures, namely Grand Seven Hill Hotels and Grand Continent Hotels – 1. There are common pursuits to that extent between our Group Company and Company and certain Joint Ventures. We do not perceive any conflict of interest with our Group Company, and we shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise. For further details, see, "*Risk Factors*" on page 38 of this Red Herring Prospectus.

***Related Business Transactions within the group and significance on the financial performance of our Company***

Other than the transactions disclosed in the sections titled *"Financial Information"* and *"Related Party Transaction"* on pages 234 and 232, respectively, there are no other business transactions between our Company and Group Company which are significant to the financial performance of our Company.

***Business interests or other interests***

Except as disclosed in section titled *"Related Party Transactions"* on page 232 of this Red Herring Prospectus, our Group Company does not have any business interest in our Company.

***Other Confirmations***

Our Group Company does not have any securities listed on a stock exchange. Further, our Group Company has not made any public or rights issue of securities in the three years preceding the date of this Red Herring Prospectus.

## RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, please refer "*Note 33- Related party disclosures under accounting standard (AS-18)*" under section titled "*Restated Consolidated Financial Statements*" beginning on Page 234 of this Red Herring Prospectus.

## DIVIDEND POLICY

Under the Companies Act, 2013 a company can pay dividend upon recommendation by our Board of Directors and approval by the Equity Shareholders at the general meeting of our Company. The AoA of our Company provides our Equity Shareholders, the right to decrease, and not to increase, the amount of dividend recommended by our Board of Directors.

The AoA of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous Financial Year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

Our Company has adopted a formal policy on dividend declaration pursuant to board resolution dated September 04, 2024. The declaration and payment of final dividend will be recommended by our Board of Directors and approved by the Equity Shareholders of our Company and interim dividend shall be paid on declaration of the same by our Board.

The dividend, if any, will depend on a number of internal and external factors, including but not limited to profits earned or distributable surplus during the Fiscal, accumulated reserves including retained earnings, cash flows, debt repayment schedules, if any, and external factors including, but not limited to the macro-economic environment, regulatory changes and technological changes. For details in relation to risks involved in this regard, please refer to *"Risk Factors"* on page 38 of this Red Herring Prospectus.

However, our Board of Directors reserves the right to recommend a higher or a lower dividend based on the performance of that year and after taking into consideration other factors enumerated above.

Our Company has not declared and/or paid any dividend on Equity Shares since its incorporation.

## SECTION IX: FINANCIAL INFORMATION

### RESTATED CONSOLIDATED FINANCIAL STATEMENTS

The separate audited financial statements for the past financials years immediately preceding the date of the Red Herring Prospectus of our Company have been made available on the website of the Company at https://grandcontinenthotels.com/.

# BHUTA SHAH & CO LLP

**CHARTERED ACCOUNTANTS**

**Head Office** : 302-304, Regent Chambers, Nariman Point, Mumbai 400021.
**Branch Office** : Unit No 431/432, 3rd floor, Solitaire Corporate Park no – IV, Andheri Kurla Road, Chakala, Andheri East, Mumbai 400093.
**Thane Office** : 1501, Oriana Business Park, Wagle estate, Thane west, Mumbai 400601.
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## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To
The Board of Directors
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
S No. 245/1A/1B, Venpursham Village, Veeralapakkam,
Thiruporur,Chengalpattu, Mamallapuram, Kanchipuram,
Tirukalikundram, Tamil Nadu, India, 603110

Dear Sir/ Madam,

We, Bhuta Shah & Co LLP, have examined the attached Restated Consolidated Financial Information of Grand Continent Hotels Limited (Formerly known as Grand Continent Hotels Private Limited) (the "Company" [or the "Issuer"]) 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 stub period ended September 30, 2024 and for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the stub period ended 30 September 2024 and for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on November 14, 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 of equity shares ("IPO").

These Restated Consolidated Summary Statement have been prepared in terms of the requirements of

a) 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").

d) The above referred financial statements have already been examined and we had issued our examination report dated 14th November, 2024. However, due to certain corrections the restated consolidated financial statements, the financial statements have been revised by the Company and accordingly, revised examination report thereon have been issued.

**Management's Responsibility for the Restated Consolidated Summary Statements**

The preparation of the Restated Consolidated Summary Statements, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Consolidated Summary

Statements have been prepared by the Management of the Company on the basis of preparation stated in note 2 (a) of Annexure V to the Restated Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note. The Board of Directors of the subsidiary company is also responsible for identifying and ensuring that subsidiary company complies with the Act, ICDR regulations and the Guidance Note, as may be applicable.

The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with SME Platform of NSE Limited and Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Tamil Nadu in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Consolidated Financial Information. The Board of Directors of the Group responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

**Basis of Opinion**

We conducted our audit of the Restated Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Restated Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Restated Consolidated Financial Information under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Restated Consolidated Financial Information

We have examined such Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 11, 2024 in connection with the proposed IPO of equity shares of the Issuer;
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.

These Restated Consolidated Financial Information have been compiled by the management from Audited Consolidated IGAAP financial statements of the Group for the stub period ended 30 September 2024 and for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, prepared in accordance with the IGAAP as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 14, 2024. The comparative information for the stub period ended 30 September 2024 and for the financial

years ended March 31, 2022, March 31, 2023 and March 31, 2024 included in such financial statements have been prepared by making restatement adjustments to the audited consolidated financial statements of the Company as at and for the stub period ended 30 September 2024 and for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on November 14, 2024.

For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated 14 November, 2024 and 31 May, 2024 on the consolidated financial statements of the Group for the stub period ended 30 September, 2024 and for the period ended year ended 31 March, 2024 as referred in Paragraph above; and

b) Auditors' Report issued by the Previous Auditors dated 30 September, 2023 and 29 September, 2022 on the consolidated financial statements of the Group as at and for the years ended 31 March, 2023 and March 31, 2022, as referred in Paragraph above.

The audits for the financial years ended 31 March, 2023 and 31 March, 2022 were conducted by the Company's previous auditors, K Srirangarajan & Associates, Chartered Accountants (the "Previous Auditors"), and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and collectively, the "2023 and 2022 Restated Consolidated Financial Information" examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2023 and 2022 Restated Consolidated Financial Information:

i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March, 2023 and 31 March, 2022 to reflect the same accounting treatment as per the accounting policies, grouping and classification.
ii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

The audit reports on the consolidated financial statements issued by Previous Auditors were not modified for the years ended, 31 March, 2023 and 31 March, 2022.

As indicated in our audit reports referred above:

*a)* We did not audit the financial statements of Grand Continent Hotels - 1 and Grand Seven Hills Hotels whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its subsidiaries included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, Gupta, Hari & Company, 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:

*(Rs. in lakhs)*

| Particular | For the stub period ended September 30, 2024 | As at for the year ended March 31, 2024 | As at for the year ended March 31, 2023 | As at for the year ended March 31, 2022 |
|---|---|---|---|---|
| Number of subsidiaries | 2 | 1 | 1 | - |
| Total Assets | 1,179.87 | 700.01 | 634.24 | - |
| Total Revenues | 842.04 | 951.59 | 168.71 | - |
| Net cash inflows/ (outflows) | 24.19 | 5.69 | 15.71 | - |

b) The comparative financial information of the Company for the year ended 31 March, 2023 and 31 March, 2022 have been audited by the previous auditors. The report of the previous auditors on the comparative financial information dated 30 September, 2023 and 29 September, 2022 expressed an unmodified opinion. Their opinion on the consolidated IGAAP financial statements is not modified in respect of these matters.

These other auditors of the subsidiaries, as mentioned above, have examined the restated consolidated financial information and have confirmed that the restated consolidated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the stub period ended 30 September, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications;
b) have been prepared after incorporating restatement adjustments to the audited Indian GAAP financial statements for the stub period ended 30 September, 2024 as described in Note 2 to the Restated Consolidated Financial Information;
c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated IGAAP financial statements and audited consolidated financial statements mentioned above.

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 or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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, relevant stock exchanges and Registrar of Companies, Tamil Nadu 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 Bhuta Shah and Co LLP**
*Chartered Accountants*
Firm's Registration No: 101474W / W100100

**Jay Jhaveri**
Partner
Membership No: 134864
UDIN: 25134864BMIJOU9408
Date: 12th March, 2025
Place: Mumbai

**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
**(CIN:U55101TN2011PLC083100)**
**Restated Consolidated Statement of Assets and Liabilities**
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Note No. | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **Shareholders' Funds** | | | | | |
| Share capital | *4* | 1,865.90 | 399.03 | 101.00 | 101.00 |
| Reserves and surplus | *5* | 2,235.56 | 2,600.30 | (42.27) | (264.21) |
| **Minority Interest** | | 632.20 | 94.81 | 101.38 | - |
| | | **4,733.66** | **3,094.14** | **160.11** | **(163.21)** |
| **Non-current liabilities** | | | | | |
| Long-term borrowings | *6* | 3,480.70 | 3,137.91 | 3,343.76 | 3,111.76 |
| Deferred tax liabilities (net) | *7* | 201.90 | 214.23 | 83.45 | - |
| Long-term provisions | *8* | 19.42 | 18.06 | 4.65 | 2.96 |
| | | **3,702.02** | **3,370.20** | **3,431.86** | **3,114.72** |
| **Current Liabilities** | | | | | |
| Short-term borrowings | *9* | 541.53 | 358.35 | 362.82 | 360.57 |
| Trade Payables | *10* | | | | |
| -Total outstanding dues of Micro, Small and Medium Enterprises | | 83.01 | 29.41 | - | - |
| -Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | | 319.72 | 161.37 | 95.31 | 70.27 |
| Other current liabilities | *11* | 272.77 | 361.18 | 172.28 | 52.91 |
| Short-term provisions | *12* | 140.92 | 16.78 | 3.72 | 1.32 |
| | | **1,357.95** | **927.09** | **634.13** | **485.07** |
| **Total** | | **9,793.63** | **7,391.43** | **4,226.10** | **3,436.58** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property plant and equipment and Intangible assets | | | | | |
| (i) Property, Plant and Equipment | *13* | 4,534.92 | 3,459.27 | 3,077.64 | 2,750.08 |
| (ii) Capital Work-in-Progress | | 921.37 | 487.39 | 38.36 | - |
| (iii) Intangible assets | *13* | 4.20 | 0.37 | 4.81 | - |
| Long-term loans and advances | *14* | 367.79 | 369.97 | 277.22 | - |
| Other non-current assets | *15* | 2,092.65 | 1,544.13 | 597.97 | 220.25 |
| | | **7,920.93** | **5,861.13** | **3,996.00** | **2,970.33** |
| **Current Assets** | | | | | |
| Trade Receivables | *16* | 683.51 | 315.27 | 124.75 | 253.11 |
| Cash and cash equivalents | *17* | 728.02 | 843.07 | 45.10 | 42.18 |
| Inventories | *18* | 17.25 | 14.96 | - | - |
| Short-term loans and advances | *19* | 441.20 | 347.08 | 60.25 | 170.96 |
| Other current assets | *20* | 2.72 | 9.92 | - | - |
| | | **1,872.70** | **1,530.30** | **230.10** | **466.25** |
| **Total** | | **9,793.63** | **7,391.43** | **4,226.10** | **3,436.58** |
| **Significant accounting policies** | 2 | | | | |

**The accompanying notes 1 to 40 are an integral part of these restated consolidated financial statements.**
**As per our report of even date attached**

**For Bhuta Shah & Co LLP**
*Chartered Accountants*
Firm Registration No. 101474W / W100100

**Jay Jhaveri**
*Partner*
**Membership No.:134864**
Place: Mumbai
Date: 12 March, 2025

**For and on behalf of the Board of Directors**
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
CIN:U55101TN2011PLC083100

**Ramesh Siva**
*Managing Director*
DIN: 02449456
Place: Bengaluru
Date: 12 March, 2025

**Vittal Vidyaramesh**
*Whole Time Director*
DIN: 02127241
Place: Bengaluru
Date: 12 March, 2025

**Mithun Jayaraman**
*Chief Financial officer*
Place: Bengaluru
Date: 12 March, 2025

**Aastha Kochar**
*Company Secretary*
Place: Bengaluru
Date: 12 March, 2025

**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
**(CIN:U55101TN2011PLC083100)**
**Restated Consolidated Statement of Profit & Loss**
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Note No. | For the period ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Revenue from operations | *21* | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Other income | *22* | 2.34 | 29.47 | 24.55 | 0.04 |
| **Total Income** | | **3,186.32** | **3,153.16** | **1,704.70** | **602.73** |
| **Expenses** | | | | | |
| Employee benefit expenses | *23* | 608.81 | 547.85 | 268.30 | 112.59 |
| Finance costs | *24* | 212.51 | 352.63 | 352.61 | 304.72 |
| Depreciation and amortization expenses | *25* | 114.34 | 111.12 | 107.22 | 97.83 |
| Other expenses | *26* | 1,450.57 | 1,589.36 | 786.54 | 251.66 |
| **Total expenses** | | **2,386.23** | **2,600.96** | **1,514.67** | **766.80** |
| **Profit before tax** | | **800.09** | **552.20** | **190.03** | **(164.07)** |
| **Tax Expense** | | **118.88** | **140.70** | **85.16** | **(84.78)** |
| Current tax | | 131.21 | 9.92 | 1.71 | |
| Deferred tax charge/(credit) | 7 | (12.33) | 130.78 | 83.45 | (84.78) |
| **Profit/(Loss) for the period/year (before adjustment for minority interest)** | | **681.21** | **411.50** | **104.87** | **(79.29)** |
| Less: Share of Profit transferred to minority Interest | | **58.84** | **3.73** | **1.38** | - |
| **Profit for the period/ year after adjustment for minority Interest** | | **622.37** | **407.77** | **103.49** | **(79.29)** |
| **Earnings per Equity Share (face value Rs. 10 each)** | *27* | | | | |
| -Basic (in Rupees) | | 3.74 | 2.54 | 0.70 | (0.53) |
| -Diluted (in Rupees) | | 3.74 | 2.54 | 0.70 | (0.53) |
| **Significant accounting policies** | 2 | | | | |

**The accompanying notes 1 to 40 are an integral part of these restated consolidated financial statements.**
**As per our report of even date attached**

**For Bhuta Shah & Co LLP**
*Chartered Accountants*
Firm Registration No. 101474W / W100100

**Jav Jhaveri**
*Partner*
**Membership No.:134864**
Place: Mumbai
Date: 12 March, 2025

**For and on behalf of the Board of Directors**
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
CIN:U55101TN2011PLC083100

**Ramesh Siva**
Managing Director
DIN: 02449456
Place: Bengaluru
Date: 12 March, 2025

**Vittal Vidvaramesh**
Whole Time Director
DIN: 02127241
Place: Bengaluru
Date: 12 March, 2025

**Mithun Jayaraman**
*Chief Financial officer*
Place: Bengaluru
Date: 12 March, 2025

**Aastha Kochar**
*Company Secretary*
Place: Bengaluru
Date: 12 March, 2025

BHUTA SHAH & CO LLP * MUMBAI FRN - 101474W/ W100100 * CHARTERED ACCOUNTANTS

GRAND CONTINENT HOTELS LIMITED

**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
**(CIN:U55101TN2011PLC083100)**
**Restated Consolidated Statement of Cash Flow**
**(All amounts in INR Lakhs, unless otherwise stated)**

| | Particulars | For the period ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | | | |
| | Profit before tax | 800.09 | 552.20 | 190.03 | (164.07) |
| | **Adjustments for:** | | | | |
| | Depreciation and amortization expenses | 114.34 | 111.12 | 107.22 | 97.83 |
| | Interest income | (0.42) | (0.11) | (0.55) | - |
| | Provision for Bad debts | 0.12 | 0.05 | - | - |
| | Gratuity | 4.69 | 16.41 | 2.39 | 4.28 |
| | Finance cost | 212.51 | 352.63 | 352.61 | 304.69 |
| | **Operating profit before working capital changes** | **1,131.33** | **1,032.30** | **651.70** | **242.73** |
| | **Adjustments for net changes in working capital :** | | | | |
| | Decrease/(Increase) in other current assets | 7.02 | (9.94) | (0.01) | - |
| | (Increase)/Decrease in trade Receivables | (368.37) | (190.56) | 128.36 | (156.73) |
| | (Increase)/Decrease in short-term loans and advances | (133.69) | (251.12) | 132.90 | - |
| | (Increase) / Decrease in long-term loans and advances | 2.18 | (92.75) | (277.22) | - |
| | Increase in inventories | (2.49) | (14.96) | - | - |
| | Increase in other current liabilities | (88.42) | 188.89 | 119.37 | - |
| | Increase/(Decrease) in trade payables | 211.76 | 95.47 | 25.04 | (13.23) |
| | Increase in long-term provisions | (3.34) | (3.00) | (0.70) | - |
| | Increase in short-term provisions | 124.13 | 3.14 | 0.70 | - |
| | **Net (Increase)/Decrease in working capital** | **(251.22)** | **(274.83)** | **128.44** | **(169.96)** |
| | **Cash generated from operating activities** | **880.11** | **757.47** | **780.14** | **72.77** |
| | Less: taxes paid (net of refund) | (91.64) | (35.70) | (22.19) | |
| | **Net cash generated from operating activities (A)** | **788.47** | **721.77** | **757.95** | **72.77** |
| **B.** | **Cash flow from investing activities :** | | | | |
| | Purchase of property plant and equipment | (1,189.38) | (492.98) | (434.13) | (73.15) |
| | Purchase of intangible assets | (3.84) | - | (5.49) | - |
| | Interest Income | 0.42 | 0.11 | 0.55 | - |
| | Addition of Capital Work-in-Progress | (433.99) | (449.03) | (38.36) | - |
| | Sale of Intangible Assets | - | 4.44 | - | - |
| | Security Deposit given | (548.53) | (945.91) | (377.70) | - |
| | **Net cash used in investing activities (B)** | **(2,175.32)** | **(1,883.38)** | **(855.12)** | **(73.15)** |
| **C.** | **Cash flow from financing activities :** | | | | |
| | Interest & finance charges paid | (212.51) | (352.63) | (352.61) | (304.69) |
| | Transactions with non-controlling interests | 478.55 | (10.30) | 100.02 | - |
| | Proceeds from issue of equity | 68.51 | 298.03 | - | - |
| | Securities Premium | 408.89 | 2,244.77 | - | - |
| | Capital Reserves | 8.35 | - | - | - |
| | Drawings by Partners | (5.97) | (9.97) | 118.43 | - |
| | Proceed/ (Repayments) from Short-term borrowings | 183.19 | (4.47) | 234.25 | 335.29 |
| | Proceed/ (Repayments) of Long-term borrowings | 342.79 | (205.85) | - | - |
| | **Net cash generated from financing activities ( C)** | **1,271.80** | **1,959.58** | **100.09** | **30.60** |
| | **Net increase in cash and cash equivalents (A) + (B) + (C)** | **(115.05)** | **797.97** | **2.92** | **30.22** |
| | Cash and cash equivalents at the beginning of the period/ year | 843.07 | 45.10 | 42.18 | 11.96 |
| | **Cash & Cash Equivalent at the End of the period/year** | **728.02** | **843.07** | **45.10** | **42.18** |
| | **Cash and Cash Equivalents (Refer Note 17)** | | | | |
| | Cash-in-Hand | 2.90 | 2.40 | 19.61 | 26.69 |
| | Balances with banks | - | - | - | - |
| | - in current accounts | 722.91 | 838.46 | 23.39 | 1.09 |
| | - in Bank Deposits with original maturity less than 3 months | 2.21 | 2.21 | 2.10 | 14.40 |
| | | **728.02** | **843.07** | **45.10** | **42.18** |

**Notes:**
The Statement of cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 "Cash Flow Statements"

**For Bhuta Shah & Co LLP**
*Chartered Accountants*
Firm Registration No. 101474W / W100100

**Jay Jhaveri**
*Partner*
Membership No.:134864
Place: Mumbai
Date: 12 March, 2025

**For and on behalf of the Board of Directors**
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
CIN:U55101TN2011PLC083100

**Ramesh Siva**
Managing Director
DIN: 02449456
Place: Bengaluru
Date: 12 March, 2025

**Vittal Vidyaramesh**
Director
DIN: 02127241
Place: Bangalore
Date: 12 March, 2025

**Mithun Jayaraman**
Chief Financial officer
Place: Bengaluru
Date: 12 March, 2025

**Aastha Kochar**
Company Secretary
Place: Bangalore
Date: 12 March, 2025

**1 Background**

Grand Continent Hotels Limited (" the Company"), incorporated on 11 November 2011 is a domestic company, and is domiciled in Chennai, Tamil Nadu, India. The registered office of the Company is at S No. 245/1A/1B, Venpursham Village, Veeralapakkam,Thiruporur,Chengalpattu, Mamallapuram, Kanchipuram,Tirukalikundram, Tamil Nadu, India, 603110. The Company is in the business of hospitality (Owning and Development of Hotels).

**2 Summary of Significant accounting policies**

**2.1 Basis of preparation of restated consolidated financial statements**

The restated consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These restated consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards (AS) referred to in Sections 133 of the Companies Act 2013 ("the Act"), read with Rule 7 of Companies (Accounts) Rules 2014.

Functional and presentation currency: The restated consolidated financials statements are presented in Indian Rupees (INR or Rs.), which is also the group company's functional currency.

The restated consolidated financial statements of the group have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Group is unable to continue as a going concern.

**2.2 Principles of Consolidation**

The restated consolidated financial statements relate to Grand Continent Hotels Limited ('The Company') and its subsidiary (together referred as "The Group") . The restated consolidated Financial Statements have been Prepared on the following basis:

The financial statements of the group companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with accounting standard (AS) 21 - "restated consolidated financial statement".

Minority Interest's share of net profit of restated consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

As far as possible, the restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements

Subsidiary considered in the restated consolidated financial statements are:

| Name of the Subsidiary, Jointly control and associate | Country of Incorporation | Extent of Holding | | | | Reporting Currency | Effective date of becoming Subsidiary, Jointly control and associate |
|---|---|---|---|---|---|---|---|
| | | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 | | |
| Grand Continent Hotel -1- Subsidiary | India | 60.00% | 60.00% | 60.00% | - | INR | 09 May 2022 |
| Grand Seven Hill Hotel - Subsidiary | India | 51.00% | 50.00% | 50.00% | - | INR | 01 June 2024 * |

* Prior becoming to subsidiary it was jointly controlled entity

**2.3 Use of estimates:**

The preparation of the 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 and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized. Any revision to accounting estimates is recognized in the current and future periods.

**2.4 Going concern:**

These restated consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classifications of carrying amount of assets or to the amounts and classification of liabilities that may be necessary if the group is unable to continue as a going concern.

**2.5 Current / non-current classification:**

The Schedule III to the Companies Act 2013 requires assets and liabilities to be

An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
(ii) it is held primarily for the purpose of being traded;
(iii) it is expected to be realised within twelve months after the balance sheet date; or
(iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in, the entity's normal operating cycle;
(ii) it is held primarily for the purpose of being traded;
(iii) it is due to be settled within twelve months after the balance sheet date; or
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

*Operating Cycle :*

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule III to the Act. Based on the nature of activities of the Group, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**2.6 Statement of cash flow**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**2.7 Revenue Recognition:**

*Revenue from operations*

***Sale of Services***

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

*Other Income*

***Interest income***

Interest income is recognised using the time proportion method, based on the amount outstanding and the underlying interest rates

***Others***

Other income is recognized once there is no insignificant uncertainity regarding the amount of the consideration that will be derived.

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**2.8 Property plant and equipment**

*(i) Tangible property plant and equipment:*

Property plant and equipment owned and operated by the Group are reported at cost, less accumulated depreciation and/or impairment losses, if any. Cost includes its purchase price including non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Property, plant and equipment is eliminated from the restated consolidated financial statements on disposal or when no further economic benefit is expected from its use and disposal.

Gains or losses arising from disposal/retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss.

*(ii) Depreciation :*

Depreciation on property, plant and equipment is calculated on on a straight-line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013 or as per the useful lives estimated by the management except for leasehold improvements which are depreciated over the term of lease.

*(iii) Derecognition:*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the restated consolidated statement of profit or loss in the year the asset is derecognised.

**2.9 Inventories Valuation :**

*(i) Stores and operating supplies:*

Lower of cost and net realisable value. Cost is determined on first in first out basis and includes all applicable costs in bringing goods to their present location and condition.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

**3 Investments**

On initial recognition, all investments are measured at cost. Cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
Current investments are carried in the restated consolidated financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged to the Statement of profit and loss.
Provision for diminution in value is made to recognise a decline other than temporary in the value of investments. No such provision has been made during the year.

**2.10 Leases**

*(i) Operating lease*

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of profit and loss as per the arrangement with the lessor over the lease term.

*(ii) Finance lease*

Assets taken on finance lease are capitalised at an amount equal to the fair value of the leased assets or the present value of minimum lease payments at the inception of the lease, whichever is lower. Such leased assets are depreciated over the lease tenure or the useful life, whichever is shorter. The lease payment is apportioned between the finance charges and reduction to principal, i.e., outstanding liability. The finance charge is allocated to the periods over the lease tenure to produce a constant periodic rate of interest on the remaining liability. The Group has taken no assets on finance lease.

**2.11 Cash and cash equivalents**

Cash comprises of cash in hand, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.12 Earnings per share (EPS)**

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**2.13 Employee Benefits**

*(i) Short-term employee benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences for paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged during the year to the Statement of profit and loss.

*(ii) Long-term employee benefits*

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss for the year, as applicable.

Gratuity: Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences
As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the financial year and lapses at the end of the financial year.

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**2.14 Taxes on income**

*(i) Current tax*

Current tax is the amount of tax payable on the taxable income for the year/period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws.The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Company has opted for Section 115BAA of the Income Tax Act,1961 and accordingly has not considered MAT Credit available for the purpose of payment of current taxes.

*(ii) Deferred tax*

Deferred tax is recognised on timing differences, being the differences between the taxable and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than carry forward losses only to the extent that virtual certainty supported by convincing evidence exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**2.15 Borrowing costs**

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing costs includes interest incurred in connection with the arrangement of borrowings.

**2.16 Impairment of Assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**2.17 Provision, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Group has a present obligation as a result of past events, 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 (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised in the restated consolidated financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements.

**3 Statement of Restated Adjustments to the Audited Consolidated Financial Information**

**Part A: Statement of adjustments to Restated Consolidated Financial Information**

**Reconciliation between audited equity and restated equity**

| Particular | 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| Total equity (as per audited financial statements) | 4,733.66 | 3,148.30 | 228.68 | (177.75) |
| (i) Audit qualifications | - | - | - | - |
| (ii) Adjustments due to change in accounting policy / material errors / other adjustments | - | (54.16) | (68.57) | 14.54 |
| Total Adjustments (i+ii) | - | (54.16) | (68.57) | 14.54 |
| **Total Equity as per restated consolidated summary statement of assets and liabilities** | **4,733.66** | **3,094.14** | **160.11** | **(163.21)** |

**Reconciliation between audited profit and restated profit**

| Particular | 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| Profit after tax (as per audited financial statements) | 681.21 | 600.03 | 184.91 | (93.83) |
| (i) Audit qualifications | - | - | - | - |
| (ii) Adjustments due to change in accounting policy / material errors / other adjustments (Refer note (a) below) | - | (192.26) | (81.42) | 14.54 |
| Total Adjustments (i+ii) | - | (192.26) | (81.42) | 14.54 |
| **Restated profit after tax for the period / year** | **681.21** | **407.77** | **103.49** | **(79.29)** |
| **Note (a)** | | | | |
| Impact of recognition of gratuity expenses | - | (16.41) | (2.41) | (4.28) |
| Impact of recognition of unbilled revenue | - | (23.25) | 4.44 | 18.81 |
| Impact of deferred tax charge for the year | - | (152.60) | (83.45) | - |
| **Total** | - | (192.26) | (81.42) | 14.54 |

**Part B: Material Regrouping**

Appropriate regroupings have been made in the Restated Consolidated Summary Statements of Assets and Liabilities, Restated Consolidated Summary Statement of Profit and Loss and, Restated Consolidated Summary Statements of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Summary Statements of the Group for the year ended 31 March, 2024, 31 March 2023 and 31 March 2022 prepared in accordance with Schedule III of Companies Act, 2013, requirements of AS 1 - 'Disclosure of Accounting Policies' and other applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

**For the year ended March 31, 2024**

**Restated Consolidated Summary Statement of Assets and Liabilities**

| Particulars | As at 31 March, 2024 ( in lakhs) As restated | As at 31 March, 2024 ( in lakhs) As reported | Change | Nature |
|---|---|---|---|---|
| **Shareholders' Funds** | | | | |
| - Reserves and surplus | 2,600.30 | 2,654.47 | (54.16) | Refer Part A above |
| | | | | |
| **Non Current Liabilties** | | | | |
| -Long term Borrowing | 3,137.91 | 3,280.71 | (142.80) | Reclassification of borrowings from non-current to current. |
| | | | | |
| **Current Liabilties** | | | | |
| -Other Current liabilities | 361.18 | 355.57 | 5.61 | Reclassification of audit fees payable from short term provision to other current liabilities. |
| -Short term borrowings | 358.35 | 215.55 | 142.80 | Reclassification of borrowings from non-current to current. |
| -Short Term Provision | 11.76 | 15.69 | (5.62) | Reclassification |
| -Trade Payables | 190.78 | 173.80 | 16.98 | Reclassification of advance from customers from trade payables to other current assets and trade receivables. |
| | | | | |
| **Current Assets** | | | | |
| -Trade Receivables | 315.27 | 311.44 | (3.83) | Reclassification of advance from customers from trade payables to other current assets and trade receivables. |
| - Short-term loans and advances | 347.08 | 271.12 | (75.96) | Earlier classified prepaid and other current assets are now reclassified to short term loans and advances. |
| - Other current assets | 9.92 | 72.73 | 62.81 | Earlier classified prepaid and other current assets are now reclassified to short term loans and advances. |

**For the year ended March 31, 2023**

**Restated Consolidated Summary Statement of Assets and Liabilities**

| Particulars | As at 31 March, 2023 ( in lakhs) As restated | As at 31 March, 2023 ( in lakhs) As reported | Change | Nature |
|---|---|---|---|---|
| **Shareholders' Funds** | | | | |
| - Reserves and surplus | (42.27) | 26.3 | (68.57) | Refer Part A above |
| | | | | |
| **Non Current Liabilties** | | | | |
| -Long term Borrowing | 3,343.76 | 3697.29 | (353.53) | Reclassification of Over Draft and current maturities of loan from long term to short term. |
| | | | | |
| | | | | |
| **Current Liabilties** | | | | |
| -Other Current liabilities | 172.28 | 181.05 | (8.77) | Reclassification of Audit fees payable from short term provision to other current liabilities and bank overdraft from other current liabilities to short term borrowings. |
| -Short term borrowings | 362.82 | 0.00 | 362.82 | Reclassification of Over Draft and current maturities of loan from long term to short term. |

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| | | | | |
|---|---|---|---|---|
| -Short Term Provision | 0.00 | 0.53 | (0.53) | Reclassification of audit fees payable from short term provision to other current liabilities. |
| | | | | |
| **Current Assets** | | | | |
| - Short-term loans and advances | 60.25 | 48.65 | 11.60 | Earlier classified prepaid and other current assets are now reclassified to short term loans and advances. |
| - Other current assets | 0.00 | 11.60 | (11.60) | Earlier classified prepaid and other current assets are now reclassified to short term loans and advances. |

**For the year ended March 31, 2022**

**Restated Consolidated Summary Statement of Assets and Liabilities**

| **Particulars** | **As at March 31,2022 ( in lakhs) As restated** | **As at March 31,2022 ( in lakhs) As reported** | **Change** | **Nature** |
|---|---|---|---|---|
| **Current Liabilties** | | | | |
| -Trade Payables | 70.27 | 35.26 | 35.00 | Reclassified from trade payables to trade payables. |
| -Other Current liabilities | 52.91 | 52.51 | 0.40 | Reclassification of audit fees payable from short term provisions to other current liabilities. |
| -Short term borrowings | 360.57 | 0.00 | 360.57 | Reclassification of borrowings from non-current to current. |
| -Short Term Provision | 0.00 | 0.40 | -0.40 | Reclassification of audit fees payable from short term provisions to other current liabilities. |
| | | | | |
| **Non Current Liabilties** | | | | |
| -Long term Borrowing | 3111.76 | 3472.34 | -360.57 | Reclassification of borrowings from non-current to current. |
| | | | | |
| **Non Current Assets** | | | | |
| -Long-term loans and advances | 0 | 220.25 | 220.25 | Reclassification of Security deposit from long term loans and advances to other non current assets. |
| - Other non-current assets | 220.25 | 0.00 | -220.25 | Reclassification of Security deposit from long term loans and advances to other non current assets. |
| | | | | |
| **Current Assets** | | | | |
| -Trade receivables | 234.30 | 199.30 | -35.00 | Reclassified from trade payables to trade payables. |
| - Short-term loans and advances | 170.96 | 157.91 | -13.05 | Reclassification of prepaid expenses from other current assets to short term loans and advances. |
| - Other current assets | 0.00 | 13.05 | 13.05 | Reclassification of prepaid expenses from other current assets to short term loans and advances. |

Note 1 - The above reclassifications except for the changes in accounting policies or mattars in previous year have been made, wherever necessary to confirm to the current year classification/disclosure and do not have any impact on the profit/ (loss), hence there is no change in the restated basic and diluted earnings per share of the previous year.

**Part C: Non adjusting items**

Audit qualifications and Emphasis of matter paragraphs for the respective years, which do not require any adjustments in the restated consolidated summary statement.

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(All amounts in INR Lakhs, unless otherwise stated)

| Note | Particulars | As at 30 September 2024 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | Amount (Rs.) | Number | Amount (Rs.) | Number | Amount (Rs.) | Number | Amount (Rs.) |
| 4 | **Share capital** | | | | | | | | |
| | **Authorised share capital** | | | | | | | | |
| | Equity shares of Rs.10 each | 2,50,00,000 | 2,500.00 | 60,00,000 | 600.00 | 10,10,000 | 101.00 | 10,10,000 | 101.00 |
| | | **2,50,00,000** | **2,500.00** | **60,00,000** | **600.00** | **10,10,000** | **101.00** | **10,10,000** | **101.00** |
| | **Issued, subscribed and fully paid** | | | | | | | | |
| | Equity shares of Rs.10 each | 1,86,59,003 | 1,865.90 | 39,90,250 | 399.03 | 10,10,000 | 101.00 | 10,10,000 | 101.00 |
| | **Total** | **1,86,59,003** | **1,865.90** | **39,90,250** | **399.03** | **10,10,000** | **101.00** | **10,10,000** | **101.00** |

| (a) | **Reconciliation of share capital** | Equity | | Equity | | Equity | | Equity | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | Amount (Rs.) | Number | Amount (Rs.) | Number | Amount (Rs.) | Number | Amount (Rs.) |
| | **Balance at the beginning of the period/year** | 39,90,250 | 399.03 | 10,10,000 | 101.00 | 10,10,000 | 101.00 | 10,10,000 | 101.00 |
| | Add : Issued during the period/year | 6,85,084 | 68.51 | 29,80,250 | 298.03 | - | - | - | - |
| | Add : Bonus shares issued during the period/year | 1,39,83,669 | 1,398.36 | - | - | - | - | - | - |
| | **Balance at the end of the period/year** | **1,86,59,003** | **1,865.90** | **39,90,250** | **399.03** | **10,10,000** | **101.00** | **10,10,000** | **101.00** |

**(b) Rights, preferences and restrictions attached to share**

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders have all other rights available to equity shareholders as per the provision of Companies Act, 2013 read together with Memorandum of Association and Articles of Association of the Company, as applicable.

The Company has declared Rs. Nil (31 March 2024 : Rs. Nil, 31 March 2023: Nil,31 March 2022: Nil) dividend during the period.

**(c) Shareholders holding more than 5% of the shares**

| | As at 30 September 2024 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Number | Percentage (%) | Number | Percentage (%) | Number | Percentage (%) | Number | Percentage (%) |
| Equity shares of Rs.10 each | | | | | | | | |
| Ramesh Siva | 94,50,000 | 50.65% | 21,00,000 | 52.63% | 9,59,000 | 94.95% | 9,59,000 | 94.95% |
| Vittal Vidyaramesh | 45,47,300 | 24.37% | 9,59,400 | 24.04% | 51,000 | 5.05% | 51,000 | 5.05% |
| Negen Undiscovered Fund | 16,20,000 | 8.68% | 3,10,000 | 7.77% | - | - | - | - |
| | **1,56,17,300** | **83.70%** | **33,69,400** | **84.44%** | **10,10,000** | **100.00%** | **10,10,000** | **100.00%** |

**(d) Shares held by Promoter at the end of the period/ year:**

| Name of the Promoter | No of Shares as on 30 September 2024 | % of Total Shares | No of Shares as on 31 March 2024 | % of Total Shares | Percentage change during the year |
|---|---|---|---|---|---|
| **Equity shares of Rs.10 each** | | | | | |
| Ramesh Siva | 94,50,000 | 50.65% | 21,00,000 | 52.63% | 350.00% |
| Vittal Vidyaramesh | 45,47,300 | 24.37% | 9,59,400 | 24.04% | 373.97% |
| **Total** | **1,39,97,300** | **75.02%** | **30,59,400** | **76.67%** | |

| Name of the Promoter | No of Shares as on 31 March 2024 | % of Total Shares | No of Shares as on 31 March 2023 | % of Total Shares | Percentage change during the year |
|---|---|---|---|---|---|
| **Equity shares of Rs.10 each** | | | | | |
| Ramesh Siva | 21,00,000 | 52.63% | 9,59,000 | 94.95% | 119% |
| Vittal Vidyaramesh | 9,59,400 | 24.04% | 51,000 | 5.05% | 1781% |
| **Total** | **30,59,400** | **76.67%** | **10,10,000** | **100%** | |

| Name of the Promoter | No of Shares as on 31 March 2023 | % of Total Shares | No of Shares as on 31 March 2022 | % of Total Shares | Percentage change during the year |
|---|---|---|---|---|---|
| **Equity shares of Rs.10 each** | | | | | |
| Ramesh Siva | 9,59,000 | 94.95% | 9,59,000 | 94.95% | 0% |
| Vittal Vidyaramesh | 51,000 | 5.05% | 51,000 | 5.05% | 0% |
| **Total** | **10,10,000** | **100%** | **10,10,000** | **100%** | |

**(e)** During the period ending 30 September 2024, the Company issued & converted 5,084 warrants into 5,084 equity shares of common stock. The conversion occurred on 5 July, 2024. The issuance of new equity shares has resulted in an increase in the Company's total equity, impacting the overall share capital structure.

**f)** The Company allotted 1,39,83,669 (One crore Thirty Nine Lakh Eighty Three Thousand Six Hundred and Sixty Nine) equity shares of ₹10 each/- as bonus shares, aggregating of Rs. 13,98,36,690 (Thirteen Crore, Ninety Eight Lakhs, Thirty Six Thousand, Six Hundred and Ninety) to the existing shareholders of the Company as on record date i.e. on 10 July 2024, in the proportion of 7:2 i.e. 7 (Seven) new fully paid equity shares of Rs. 10/- each for every 2 (Two) existing fully paid up equity shares of Rs. 10/- each held

Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:

| | 30 September 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium | 1,398.37 | - | - | - |
| **Total** | **1,398.37** | **-** | **-** | **-** |

(All amounts in INR Lakhs, unless otherwise stated)

**5 Reserves and surplus**

| Particulars | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| **Securities premium account** | | | | |
| Balance at the beginning of the year | 2,244.76 | - | - | - |
| Add: Premium on equity shares issued during the period/year | 394.40 | 2,244.77 | - | - |
| Add: Premium on warrants converted to equity shares issued during the period/year | 14.49 | | | |
| Less: Issue of Bonus Shares | (1,398.37) | | | |
| **Balance at the end of the period/year** | **1,255.28** | **2,244.77** | **-** | **-** |
| **Capital Reserve** | | | | |
| Balance at the beginning of the year | - | - | - | - |
| Add: Capital Reserve on consolidation | 8.35 | | | |
| **Balance at the end of the period/year** | **8.35** | **-** | **-** | **-** |
| **Debenture Redemption Reserve** | | | | |
| Balance at the beginning of the year | - | - | - | - |
| Add: transfer for the year | 75.00 | - | - | - |
| **Balance at the end of the period/year** | **75.00** | **-** | **-** | **-** |
| **Surplus/(Deficit) in profit and loss account** | | | | |
| Balance at the beginning of the period/year | 355.53 | (42.27) | (264.21) | (184.92) |
| Net Drawings /Additions by the partners | (5.97) | (9.97) | 118.45 | |
| Add: Profit/Loss for the period/ year | 622.37 | 407.77 | 103.49 | (79.29) |
| Less: Transfer to Debenture Redemption Reserve | (75.00) | - | - | - |
| **Balance at the end of the period/year** | **896.93** | **355.53** | **(42.27)** | **(264.21)** |
| **Total** | **2,235.56** | **2,600.30** | **(42.27)** | **(264.21)** |

| Note | Particulars | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **6** | **Long-term borrowings** | | | | |
| | **Secured** | | | | |
| | Term loans from banks & financial instituitions (refer note 6.2) | 2,730.70 | 2,865.41 | 2,133.59 | 2,310.04 |
| | 16% Non convertible debentures (refer note 6.1) | 750.00 | - | - | - |
| | **Unsecured** | | | | |
| | Loans and advance from related parties (refer note 33) | - | - | - | 16.50 |
| | Loans from | | | | |
| | -Related party (refer note 33) | - | - | 464.39 | 698.59 |
| | -Others | - | - | - | - |
| | Other Borrowings | - | 272.50 | 745.78 | 86.63 |
| | **Total** | **3,480.70** | **3,137.91** | **3,343.76** | **3,111.76** |

**Note 6.1**
The debentures are issued by Grand Continent Hotels Limited on private placement basis vide offering term sheet and PAS-4 dated 24 August 2024 , 10 September 2024

Tranch 1: The Company has issued and allotted 3,35,000 (Three Lakhs Thirty Five Thousand) NCDs at a value of INR 100 each amounting to Rs. 335 Lakhs on 03 September 2024 carrying a coupon rate of 16% per annum for a period upto 3 (Three) years to Debenture Holders Coupon would be accrued every quarter and would be payable on maturity.

Tranch 2: The Company has issued and allotted 4,15,000 (Four Lakhs Fifteen Thousand) NCDs at a value of INR 100 each amounting to Rs 415 Lakhs on 27 September 2024 carrying a coupon rate of 16% per annum for a period upto 3 (Three) years to Debenture Holders Coupon would be accrued every quarter and would be payable on maturity.

The loans from related party and Other Borrowings are repayable on demands.

The Company shall redeem the Debentures on each redemption date as follows:

| Particulars of repayment | Details | Date of repayment | Amount of repayment (Amount in Lakhs) |
|---|---|---|---|
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 December 2025 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 March 2026 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 June 2026 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 September 2026 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 December 2026 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 March 2027 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 June 2027 | 93.75 |
| Tranch-1 & 2 | 1/8th of the total non convertible debentures | 02 September 2027 | 93.75 |

**7 Deferred tax liabilities (net)**

| | | | | |
|---|---|---|---|---|
| Deferred taxes - Opening Balance | 214.23 | 83.45 | - | 84.78 |
| On timing differences of depreciation between Companies Act 2013 and Income Tax Act 1961 | - | - | - | - |
| Add:- Deferred Tax Charged for the period/ year | | | | |
| -Depreciation | (12.33) | 130.78 | 83.45 | - |
| - Profit/Loss | - | - | - | - |
| Less: Deferred tax reversed during the period/year | - | - | - | 84.78 |
| **Total** | **201.90** | **214.23** | **83.45** | **-** |

**8 Long-term provisions**

| | | | | |
|---|---|---|---|---|
| Provision for gratuity (refer note 38) | 19.42 | 18.06 | 4.65 | 2.96 |
| | **19.42** | **18.06** | **4.65** | **2.96** |

**9 Short-term borrowings**

| | | | | |
|---|---|---|---|---|
| Bank Overdraft ( Secured) | - | - | 10.71 | 19.72 |
| Current maturities of long term borrowings (Secured) (refer note 6.2 above) | 441.53 | 358.35 | 352.11 | 340.84 |
| Inter Corporate Deposit (Unsecured) (refer note 6.2 above) | 100.00 | - | - | - |
| **Total** | **541.53** | **358.35** | **362.82** | **360.57** |

**10 Trade payables**

| | | | | |
|---|---|---|---|---|
| Dues to micro and small enterprises | 83.01 | 29.41 | - | - |
| Dues of creditors others than micro enterprises and small enterprises | 319.72 | 161.37 | 95.31 | 70.27 |
| **Total** | **402.73** | **190.78** | **95.31** | **70.27** |

**Note 10.1**

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

(ii)The Disclosure relating Micro and Small Enterprises is given in note 29

**Trade Payables Ageing Schedule**

| Particulars | Outstanding for following periods from due date of payment as on 30 Sept 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 years | 2 to 3 Years | 2 to 3 Years | More than 3 Years | Total |
| 1. MSME | 83.01 | - | - | - | - | **83.01** |
| 2. Others | 319.72 | - | - | - | - | **319.72** |
| 3. Disputed Dues-MSME | - | - | - | - | - | - |
| 4. Disputed Dues-Others | - | - | - | - | - | - |
| **Total** | **402.73** | - | - | - | - | **402.73** |

| Particulars | Outstanding for following periods from due date of payment as on 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 years | 2 to 3 Years | 2 to 3 Years | More than 3 Years | Total |
| 1. MSME | 29.41 | - | - | - | - | **29.41** |
| 2. Others | 161.37 | - | - | - | - | **161.37** |
| 3. Disputed Dues-MSME | - | - | - | - | - | - |
| 4. Disputed Dues-Others | - | - | - | - | - | - |
| **Total** | **190.78** | - | - | - | - | **190.78** |

| Particulars | Outstanding for following periods from due date of payment as on 31 March 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 years | 2 to 3 Years | 2 to 3 Years | More than 3 Years | Total |
| 1. MSME | - | - | - | - | - | - |
| 2. Others | 95.31 | - | - | - | - | **95.31** |
| 3. Disputed Dues-MSME | - | - | - | - | - | - |
| 4. Disputed Dues-Others | - | - | - | - | - | - |
| **Total** | **95.31** | **-** | **-** | **-** | **-** | **95.31** |

| Particulars | Outstanding for following periods from due date of payment as on 31 March 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 years | 2 to 3 Years | 2 to 3 Years | More than 3 Years | Total |
| 1. MSME | - | - | - | - | - | - |
| 2. Others | 70.27 | - | - | - | - | **70.27** |
| 3. Disputed Dues-MSME | - | - | - | - | - | - |
| 4. Disputed Dues-Others | - | - | - | - | - | - |
| **Total** | **70.27** | **-** | **-** | **-** | **-** | **70.27** |

**11 Other current liabilities**

| | | | | |
|---|---|---|---|---|
| Accrued salaries and benefits | 104.45 | 31.31 | 27.53 | 13.39 |
| Advance received from the customer | 1.11 | 107.42 | 5.02 | - |
| Expenses payable | 7.80 | 13.03 | 18.42 | 8.26 |
| Rent payable | 102.83 | 83.39 | 31.44 | 13.71 |
| Statutory liabilities | 50.37 | 120.40 | 89.34 | 17.15 |
| Audit fee payable | 6.21 | 5.63 | 0.53 | 0.40 |
| **Total** | **272.77** | **361.18** | **172.28** | **52.91** |

**12 Short term provisions**

**Other short term provisions**

| | | | | |
|---|---|---|---|---|
| Provision for income tax (net of advance tax) | 131.59 | 11.77 | 1.71 | - |
| Provision for Corporate Social Responsibility | 0.98 | - | - | - |
| Provision for gratuity (refer note 38) | 8.35 | 5.01 | 2.01 | 1.32 |
| **Total** | **140.92** | **16.78** | **3.72** | **1.32** |

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**Note 6.2**

| Lender Name | Sanction Amount | Loan Outstanding as at September 30,2024 | | Loan Outstanding as at March 31,2024 | | Loan Outstanding as at March 31,2023 | | Loan Outstanding as at March 31,2022 | | Carrying rate of Interest (per annum except specifically | Maturity Date | Terms & Conditions | Security Details |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non current | Current | Non current | Current | Non current | Current | Non current | Current | | | | |
| **Aditya Birla Finance Limited** | | | | | | | | | | | | | |
| Term Loan | 1,015.00 | 855.88 | 24.96 | 869.66 | 22.74 | 893.37 | 18.10 | 884.50 | 26.40 | 12.50 % - 15% | 15 July 2038 | To start hotel lodging at Malleswaram, Bengaluru | Hypothecation of furniture and fixture equipment |
| Term Loan | 200.00 | 183.52 | 9.28 | 197.09 | 2.14 | 197.12 | 1.46 | 177.56 | - | 11.30% | 15 October 2035 | - | Primary /collateral security:<br>Current assets- hypothecation of debtor and stocks and property - first charge on Indira Nagar property<br>Personal guarantee from Ramesh Siva, Vittal Vidyaramesh and Deepthi Siva |
| Term Loan | 250.00 | 230.67 | 11.59 | 237.90 | 10.95 | 246.11 | 1.97 | 249.80 | - | 11.30% | 15 October 2035 | - | Primary /collateral security:<br>Current assets- hypothecation of debtor and stocks and property - first charge on Indira Nagar property<br>Personal guarantee from Ramesh Siva, Vittal Vidyaramesh and Deepthi Siva |
| Term Loan | 76.07 | 77.68 | - | 77.68 | - | 77.50 | - | 75.13 | - | 12.50%-15% | 15 January 2034 | - | - |
| Letter of Credit | 145.00 | - | 147.99 | - | 146.95 | - | 146.86 | - | 142.73 | 12.50 % - 15% | 15 July 2038 | Day to day operations and working capital | - |
| **Bank Of Baroda** | | | | | | | | | | | | | |
| Term Loan | 70.00 | 0.00 | 9.25 | 4.84 | 10.20 | 15.37 | 10.20 | 25.06 | 10.20 | 11.50%-12.15% | 31 July 2025 | To start hotel lodging at Malleswaram, Bengaluru | Hypothecation of furniture and fixture equipment |
| Working Capital Loan | 8.70 | 3.20 | 2.42 | 4.31 | 2.40 | 6.30 | 2.40 | 6.30 | 2.40 | 7.50%-9.25% | 31 December 2026 | Working Capital | - |
| Working Capital Loan | 8.70 | - | - | 0.73 | | 1.23 | 2.40 | 4.36 | 2.40 | 7.85% | 30 June 2024 | Working Capital | - |
| **Hinduja Leyland Finance** | | | | | | | | | | | | | |
| Term Loan | 1,100.00 | 1,001.17 | 44.34 | 1,029.77 | 41.66 | - | - | - | - | 12.50%-12.00% | 01 March 2036 | Refinancing of existing debt from SBI and addition of 1 leased property in manyata tech park | First exclusive charge by way Mortgage by deposit of title deed of immovable property at site no 03, 3rd main road, K.R garden, Koramangala, Bengaluru 560095 |
| Working Capital Loan | 50.00 | 45.87 | 2.20 | 47.30 | 2.07 | - | - | - | - | 12.00% | 01 November 2035 | Working Capital | First exclusive charge by way Mortgage by deposit of title deed of immovable property at site no 03, 3rd main road, K.R garden, Koramangala, Bengaluru 560095 |

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GRAND CONTINENT HOTELS LIMITED

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **UC Inclusive Credit Private Limited** | | | | | | | | | | | | | |
| Term Loan | 500.00 | 292.71 | 180.12 | 378.58 | 113.44 | - | - | - | - | 17.00% | 08 July 2027 | Business Expansion & Working Capital Requirement | Exclusive charge on fixed assets, Non-current assets (including intangible assets such as intellectual property, trademarks, copyrights etc..) and current assets, present & future) pertaining to hotels- Manyata, Sunderaraj, Goa (Anjuna) and Devanahalli, to the extent of 120% of outstanding loan and personal guarantee from Ramesh Siva, and Vittal Vidyaramesh |
| **Daimler Financial Services Private Limited** | | | | | | | | | | | | | |
| Term Loan | 40.00 | 14.69 | 6.06 | 17.55 | 5.80 | 28.68 | - | 34.18 | - | 9.00% | 18 November 2027 | Vehicle purchase | Hypothecated against vehicle |
| **BMW Financial Services** | | | | | | | | | | | | | |
| Term Loan | 30.00 | 25.33 | 3.32 | - | - | - | - | - | - | 9.25% | 16 April 2031 | Vehicle purchase | Hypothecated against vehicle |
| | | - | - | - | - | - | - | - | - | | | | |
| **State Bank of India** | | - | - | - | - | - | - | - | - | | | | |
| Term Loan | 139.00 | - | - | - | - | 18.75 | 36.72 | 76.39 | 36.71 | 7.40% | 13 June 2023 | Purchase and construction of Koramangala property | - |
| Term Loan | 46.00 | - | - | - | - | 2.79 | 24.00 | 24.46 | 24.00 | 13.25% | 13 June 2023 | Purchase and construction of Koramangala property | - |
| Term Loan | 90.00 | - | - | - | - | (5.30) | 48.00 | 40.87 | 48.00 | 13.25% | 13 June 2023 | Purchase and construction of Koramangala property | - |
| Term Loan | 750.00 | - | - | - | - | 650.26 | 60.00 | 701.37 | 48.00 | 13.25% | 13 June 2023 | Purchase and construction of Koramangala property | - |
| **Axis Bank** | | | | | | | | | | | | | |
| Term Loan | 23.70 | - | - | - | - | 1.41 | - | 10.06 | - | 17.00% | 05 July 2023 | Working Capital | - |
| **Ayesspea Holdings and Investment Private Limited** | | | | | | | | | | | | | |
| Inter Company Deposit | 100.00 | - | 100.00 | - | - | - | - | - | - | 25% at the time of repayment | 31 March 2025 | - | - |
| **Total** | **4,642.17** | **2,730.72** | **541.53** | **2,865.41** | **358.35** | **2,133.59** | **352.11** | **2,310.04** | **340.84** | | | | |

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GRAND CONTINENT HOTELS LIMITED

**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
**Notes to the restated consolidated financial statements**
(All amounts in INR Lakhs, unless otherwise stated)

**13 Property, plant and equipment and Intangible assets**

| Particulars | | Building | Leasehold Building | Plant & Machinery | Electrical Installations | Furniture and Fixtures | Vehicles | Office Equipment | Computer | Total | Intangible Assets | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| **As at 01 April, 2021** | | **2,756.99** | **-** | **7.01** | **1.62** | **13.69** | **75.80** | **-** | **-** | **2,855.11** | - | |
| Additions during the year | | 9.64 | 42.93 | 14.57 | 2.89 | 3.11 | - | | | **73.14** | - | |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | - | - | |
| **As at 01 April, 2022** | | **2,766.63** | **42.93** | **21.59** | **4.51** | **16.80** | **75.80** | **-** | **-** | **2,928.26** | **-** | **-** |
| Additions during the year | | 326.66 | 43.47 | 26.69 | 0.69 | 16.11 | 15.09 | - | 5.42 | **434.13** | 5.49 | **5.49** |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | **-** | - | **-** |
| **As at 31 March, 2023** | | **3,093.29** | **86.40** | **48.28** | **5.20** | **32.91** | **90.89** | **-** | **5.42** | **3,362.39** | **5.49** | **5.49** |
| Additions during the year | | 11.92 | 423.86 | 29.38 | 0.68 | 22.17 | 3.50 | 0.03 | 1.44 | **492.98** | - | **-** |
| Disposals/adjustments | | (0.20) | - | - | - | (0.18) | - | - | - | **(0.38)** | (4.31) | **(4.31)** |
| **As at 31 March, 2024** | | **3,105.01** | **510.26** | **77.66** | **5.88** | **54.90** | **94.39** | **0.03** | **6.86** | **3,854.99** | **1.18** | **1.18** |
| Additions during the year | | 7.21 | 667.02 | 160.07 | 3.57 | 26.02 | 51.55 | 1.53 | 18.93 | **935.90** | 4.44 | **4.44** |
| Addition in acquisition of subsidiaries | | - | - | - | 27.52 | 223.81 | - | - | 2.15 | **253.48** | - | **-** |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | **-** | - | **-** |
| **As at 30 September, 2024** | | **3,112.22** | **1,177.28** | **237.73** | **36.97** | **304.73** | **145.94** | **1.56** | **27.94** | **5,044.37** | **5.62** | **5.62** |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | | | | | |
| **As at April 01, 2021** | | **68.43** | **-** | **2.74** | **0.23** | **6.29** | **2.68** | **-** | **-** | **80.37** | | **-** |
| Depreciation charge for the year | | 86.25 | 1.47 | 0.59 | 0.17 | 1.50 | 7.83 | - | - | **97.81** | | **-** |
| Disposals/adjustments | | | | | | | | | | **-** | | **-** |
| **As at 01 April, 2022** | | **154.68** | **1.47** | **3.33** | **0.41** | **7.79** | **10.52** | **-** | **-** | **178.20** | **-** | **-** |
| Additions during the year | | 92.80 | 0.12 | 1.37 | 0.46 | 2.60 | 9.03 | - | 0.16 | **106.54** | 0.69 | 0.69 |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | **-** | - | - |
| **As at 31 March, 2023** | | **247.48** | **1.59** | **4.70** | **0.87** | **10.39** | **19.55** | **-** | **0.16** | **284.74** | **0.69** | **0.69** |
| Depreciation charge for the year | | 74.38 | 12.27 | 6.56 | 0.52 | 4.03 | 10.83 | 0.00 | 2.40 | **110.99** | 0.12 | **0.12** |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | **-** | | **-** |
| **As at 31 March, 2024** | | **321.86** | **13.86** | **11.26** | **1.39** | **14.42** | **30.38** | **0.00** | **2.56** | **395.73** | **0.81** | **0.81** |
| Depreciation charge for the year | | 26.74 | 39.24 | 6.83 | 3.99 | 23.68 | 8.76 | 0.15 | 4.34 | **113.73** | 0.60 | **0.60** |
| Disposals/adjustments | | - | - | - | - | - | - | - | - | **-** | - | **-** |
| **As at 30 September, 2024** | | **348.60** | **53.10** | **18.09** | **5.38** | **38.10** | **39.14** | **0.15** | **6.90** | **509.46** | **1.41** | **1.41** |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| **Net Carrying amounts** | | | | | | | | | | | | |
| **As at 01 April ,2021** | | **2,688.56** | **-** | **4.27** | **1.39** | **7.40** | **73.12** | **-** | **-** | **2,774.74** | | |
| **As at 01 April, 2022** | | **2,611.95** | **41.46** | **18.26** | **4.10** | **9.01** | **65.28** | **-** | **-** | **2,750.08** | **-** | **-** |
| **As at 31 March, 2023** | | **2,845.81** | **84.81** | **43.58** | **4.33** | **22.52** | **71.34** | **-** | **5.26** | **3,077.64** | **4.81** | **4.81** |
| **As at 31 March, 2024** | | **2,783.15** | **496.40** | **66.40** | **4.49** | **40.48** | **64.01** | **0.03** | **4.30** | **3,459.27** | **0.37** | **0.37** |
| **As at 30 September, 2024** | | **2,763.62** | **1,124.18** | **219.64** | **31.59** | **266.63** | **106.80** | **1.41** | **21.04** | **4,534.92** | **4.20** | **4.20** |

**Note : Refer note 6 for assets held as security against borrowings.**

**(a)** Ageing of capital work in progress is as below:

| CWIP for a period of | 30 September 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Project in progress** | 921.37 | - | - | - | **921.37** |

| CWIP for a period of | 31 March 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Project in progress** | 487.39 | - | - | - | **487.39** |

| CWIP for a period of | 31 March 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Project in progress** | 38.36 | - | - | - | **38.36** |

There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year. In other words, all projects accounted as CWIP are running projects.

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GRAND CONTINENT HOTELS LIMITED

| Note | Particulars | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **14** | **Long term loans and advances** | | | | |
| | Unsecured considered good: | | | | |
| | Capital advances | 235.06 | 235.33 | 128.39 | - |
| | Loans and Advances to | | | | |
| | -Related parties (refer note 33) | 59.51 | 134.64 | 148.83 | - |
| | -Others | 73.22 | - | - | - |
| | **Total** | **367.79** | **369.97** | **277.22** | - |

Note 14.1 Loans and advances given to related party repayable on demand

| Type of Borrower | 30 September 2024 | | 31 March 2024 | | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount of loan | Percentage to the Total Loans | Amount of loan | Percentage to the Total Loans | Amount of loan | Percentage to the Total Loans | Amount of loan | Percentage to the Total Loans |
| Grand Continent Hotels - 1 | 56.07 | 15.24% | - | 0.00% | - | 0.00% | - | - |
| Grand Seven Hills Hotels | 3.44 | 0.94% | 134.64 | 36.39% | 148.83 | 53.69% | - | - |
| | 59.51 | | 134.64 | | 148.83 | | - | |

| | | | | | |
|---|---|---|---|---|---|
| **15** | **Other non-current assets** | | | | |
| | Unsecured considered goods:- | | | | |
| | Security deposits | 2,092.65 | 1,544.13 | 597.97 | 220.25 |
| | | **2,092.65** | **1,544.13** | **597.97** | **220.25** |

Note: Rs. 1773.20 lakhs (Rs. 1313.00 lakhs - 31 March 2024; Rs. 597.72 Lakhs - 31 March, 2023; Rs. 220.25 Lakhs - 31 March 2022) included in the above relates to interest free security deposits given for hotel premises taken on rent. Remainder includes deposits given for others.

| | | | | | |
|---|---|---|---|---|---|
| **16** | **Trade receivables** | | | | |
| | Trade receivables (including unbilled revenue) | | | | |
| | - Unsecured Considered good | 683.51 | 315.27 | 124.75 | 253.11 |
| | - Unsecured Considered doubtful | - | - | - | |
| | **Total** | **683.51** | **315.27** | **124.75** | **253.11** |

**Trade Receivables ageing schedule**

| Particulars | Outstanding for following periods from due date of payment as on 30 September 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | 2 - 3 years | More than 3 years | Total |
| 1. Undisputed Trade receivables - considered good | 94.11 | 549.12 | 40.28 | - | - | - | - | 683.51 |
| 2. Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - | - |
| 3. Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - |
| 4. Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - | - |
| **Total** | **94.11** | **549.12** | **40.28** | **-** | **-** | **-** | **-** | **683.51** |

**Trade Receivables ageing schedule**

| Particulars | Outstanding for following periods from due date of payment as on 31 March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | 2 - 3 years | More than 3 years | Total |
| 1. Undisputed Trade receivables - considered good | 22.69 | 292.58 | - | - | - | - | - | 315.27 |
| 2. Undisputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| 3. Disputed Trade Receivables - considered good | | - | - | - | - | - | - | - |
| 4. Disputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| **Total** | **22.69** | **292.58** | **-** | **-** | **-** | **-** | **-** | **315.27** |

| Particulars | Outstanding for following periods from due date of payment as on 31 March 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | 2 - 3 years | More than 3 years | Total |
| 1. Undisputed Trade receivables - considered good | 23.25 | 101.50 | - | - | - | - | - | 124.75 |
| 2. Undisputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| 3. Disputed Trade Receivables - considered | | - | - | - | - | - | - | - |
| 4. Disputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| **Total** | **23.25** | **101.50** | **-** | **-** | **-** | **-** | **-** | **124.75** |

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| Particulars | Outstanding for following periods from due date of payment as on 31 March 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | 2 - 3 years | More than 3 years | Total |
| 1. Undisputed Trade receivables - considered good | 18.81 | 234.30 | - | - | - | - | - | 253.11 |
| 2. Undisputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| 3. Disputed Trade Receivables - considered good | | - | - | - | - | - | - | - |
| 4. Disputed Trade Receivables - considered doubtful | | - | - | - | - | - | - | - |
| | | | | | | | | - |
| **Total** | **18.81** | **234.30** | **-** | **-** | **-** | **-** | **-** | **253.11** |

**17 Cash and Cash Equivalents**

| | | | | |
|---|---|---|---|---|
| Cash in hand | 2.90 | 2.40 | 19.61 | 26.69 |
| Balances with banks | - | - | - | - |
| - in current accounts | 722.91 | 838.46 | 23.39 | 1.09 |
| - in bank deposits with original maturity less than 3 months | 2.21 | 2.21 | 2.10 | 14.40 |
| **Total** | **728.02** | **843.07** | **45.10** | **42.18** |

**18 Closing Stock**

| | | | | |
|---|---|---|---|---|
| At lower of cost or net realisable value | | | | |
| Stores and operating supplies | 17.25 | 14.96 | - | - |
| Closing Stock | **17.25** | **14.96** | **-** | **-** |

As informed by management there were no inventories in the book as on 30 September 2024, 31 March 2024 ,31 March, 2023 and 31 March 2022.

**19 Short-Term Loans and Advances**

| | | | | |
|---|---|---|---|---|
| Unsecured considered good | | | | |
| - Advance to vendors | 137.43 | 84.13 | 9.14 | 4.54 |
| - Advance to employees (refer note 33) | 97.29 | 64.86 | - | - |
| - Balances with revenue authorities | - | - | 11.35 | 1.05 |
| - Tax paid in advance | 91.64 | 63.85 | 28.15 | 5.95 |
| (net of provision for tax) | - | - | - | - |
| Loans and advances given to | | | | |
| -Related party (refer note 33) | 92.44 | 76.20 | - | - |
| -Others | 1.90 | 0.95 | - | 146.35 |
| Pre-paid expenses | 20.50 | 57.09 | 11.61 | 13.07 |
| **Total** | **441.20** | **347.08** | **60.25** | **170.96** |

**20 Other Current Assets**

| | | | | |
|---|---|---|---|---|
| Other current assets | 2.72 | 9.92 | - | - |
| **Total** | **2.72** | **9.92** | **-** | **-** |

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| Note | Particulars | For the period ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|---|
| **21** | **Revenue from Operations** | | | | |
| | **Sale of services** | | | | |
| | Room revenue | 2,901.47 | 2,988.28 | 1,607.58 | 590.43 |
| | Food and soft beverages | 208.88 | 104.32 | 72.57 | 12.26 |
| | Other operating revenue | 73.63 | - | - | - |
| | Management fees | - | 31.09 | - | - |
| | **Total** | **3,183.98** | **3,123.69** | **1,680.15** | **602.69** |
| **22** | **Other income** | | | | |
| | Interest income on fixed deposit | 0.42 | 0.11 | 0.55 | - |
| | Other income | 1.92 | 29.36 | 24.00 | 0.04 |
| | **Total** | **2.34** | **29.47** | **24.55** | **0.04** |
| **23** | **Employee benefit expenses** | | | | |
| | Salaries, wages and bonus | 522.22 | 437.17 | 237.73 | 97.09 |
| | Contributions to provident and other funds | 4.82 | 8.50 | 1.57 | 1.23 |
| | Directors remuneration (refer note 33) | 39.00 | 60.00 | 8.50 | 6.00 |
| | Staff welfare expenses | 38.08 | 25.77 | 18.11 | 3.99 |
| | Gratuity Expenses | 4.69 | 16.41 | 2.39 | 4.28 |
| | **Total** | **608.81** | **547.85** | **268.30** | **112.59** |
| **24** | **Finance costs** | | | | |
| | Interest on borrowings | 211.63 | 352.63 | 351.36 | 304.69 |
| | Other finance charges | 0.88 | - | 1.25 | 0.03 |
| | **Total** | **212.51** | **352.63** | **352.61** | **304.72** |
| **25** | **Depreciation and amortization expense** | | | | |
| | Depreciation of tangible & intangible assets (also refer note 13) | 114.34 | 111.12 | 107.22 | 97.83 |
| | **Total** | **114.34** | **111.12** | **107.22** | **97.83** |
| **26** | **Other expenses** | | | | |
| | **Payment to Auditors** | **4.82** | **3.25** | **0.80** | **0.41** |
| | - As Statutory Auditor | 4.82 | 3.25 | 0.80 | 0.41 |
| | Business promotion expenses | 1.22 | 0.83 | 3.09 | 10.74 |
| | Lease Rentals | 523.67 | 561.80 | 248.50 | 37.50 |
| | Other rentals | 4.64 | 7.99 | 0.15 | - |
| | Communication expense | 12.55 | 13.65 | 9.49 | 8.56 |
| | Commission expense | 129.84 | 173.17 | 75.82 | 19.22 |
| | Uniform washing and laundry | 41.22 | 46.84 | 28.93 | 12.98 |
| | Brokerage fees | - | 60.09 | 16.00 | - |
| | Housekeeping and room amenities expenses | 63.55 | 42.92 | 20.10 | - |
| | Power, fuel and water | 157.94 | 187.46 | 120.24 | 60.78 |
| | CSR Expenses | 0.98 | - | - | - |
| | Food and beverages | 270.55 | 230.60 | 81.55 | 23.39 |
| | Freight Charges | 0.11 | 0.11 | - | - |
| | Franchisee fees | 113.36 | 119.22 | 82.79 | - |
| | Banquet hall charges | - | 8.55 | 5.11 | - |
| | Insurance expense | 0.44 | - | - | - |
| | License renewal | - | 0.69 | - | - |
| | Office maintenance | 2.13 | 0.35 | 0.26 | 7.61 |
| | Provision for Bad Debts | 0.12 | 0.05 | - | - |
| | Printing and stationery | 6.68 | 7.23 | 5.10 | 0.79 |
| | Postage and courier | 0.07 | 1.56 | 0.02 | - |
| | Professional fees | 4.20 | 17.90 | 4.76 | 32.44 |
| | Rates and taxes | 1.75 | 2.96 | 9.62 | 7.08 |
| | Repairs & maintenance | 39.50 | 39.73 | 27.69 | 14.15 |
| | Security charges | 21.33 | 22.24 | 15.79 | 0.91 |
| | Software subscription charges | 6.03 | 6.98 | 4.11 | 5.70 |
| | Travelling and conveyance | 15.68 | 4.60 | 8.74 | 1.74 |
| | Bank charges | 5.00 | 2.35 | 2.65 | 2.82 |
| | Management fees | - | - | - | - |
| | News Paper and periodical expenses | 0.03 | 0.79 | 0.39 | - |
| | Banquet Hall Charges | 7.28 | 0.40 | 0.08 | - |
| | TV recharge expenses | 5.33 | 9.29 | 6.01 | - |
| | Signing fees expenses | - | 3.26 | - | - |
| | Advertising expenses | 0.06 | - | - | - |
| | Miscellaneous expenses | 10.49 | 12.50 | 8.75 | 4.84 |
| | **Total** | **1,450.57** | **1,589.36** | **786.54** | **251.66** |

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**Note:**

**(i) Details of payments to auditors**

| Particulars | 30 September 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| **As auditor:** | | | | |
| Audit fee | 1.00 | 2.50 | 0.80 | 0.41 |
| Tax Audit fee | - | 0.75 | - | - |
| **In other capacities:** | | | | |
| Certification fee and others | 3.00 | - | - | - |
| Reimbursement of expenses | 0.82 | - | - | - |
| Other if any (please specify) | - | - | - | - |
| **Total** | **4.82** | **3.25** | **0.80** | **0.41** |

**27 Earning per share**

| | | | | |
|---|---|---|---|---|
| Nominal value of equity shares (Rs) | 10 | 10 | 10 | 10 |
| The following reflects the loss and share data used in the basic and diluted EPS computations: | | | | |
| Basic | | | | |
| Net profit for calculation of basic earning per share (A) | 681.21 | 411.50 | 104.87 | (79.29) |
| Weighted average number of equity shares (before adjustment) | 42,16,746 | 22,09,946 | 10,10,000 | 10,10,000 |
| No. of Bonus Share Issued | 1,39,83,669 | 1,39,83,669 | 1,39,83,669 | 1,39,83,669 |
| Weighted average number of equity shares in calculating basic earning per share (after adjustment) (B) | 1,82,00,415 | 1,61,93,615 | 1,49,93,669 | 1,49,93,669 |
| Basic Earnings per share = (A)/(B) | **3.74** | **2.54** | **0.70** | **(0.53)** |
| Diluted | | | | |
| Net profit for calculation of diluted earning per share | 681.21 | 411.50 | 104.87 | (79.29) |
| Weighted average number of equity shares in calculating diluted earning per share (C) | 1,82,00,415 | 1,61,93,615 | 1,49,93,669 | 1,49,93,669 |
| Diluted Earnings per share = (A)/(C) | **3.74** | **2.54** | **0.70** | **(0.53)** |

| No. | Particulars | As at 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| **28** | **Contingent liabilities and commitments** | | | | |
| | Contingent liabilities | | | | |
| | Amount of liability outstanding for the year under Income Tax Act | 18.99 | 18.98 | 13.16 | 11.97 |
| | Amount of liability outstanding for the year under GST Act | 10.13 | 10.13 | 10.13 | 10.13 |
| | Commitments:- | | | | |
| | Estimated amount of unexecuted contracts on capital account not provided for | 112.92 | 83.56 | 4.47 | - |

**29 Dues to Micro and Small enterprises**

Micro and Small enterprises have been identified by the Group on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

| | | | | |
|---|---|---|---|---|
| Principal and interest amount remaining unpaid | 83.01 | 29.41 | - | - |
| Interest due thereon remaining unpaid | 0.88 | - | - | - |
| Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - | - | - |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006) | - | - | - | - |
| Interest accrued and remaining unpaid | - | - | - | - |
| Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - | - | - |

**30 Transfer pricing**

The provisions of "specified domestic transactions" inserted by the Finance Act, 2012 are not applicable to the Group in the current and previous financial year. There are no transfer pricing legislation which will have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

**31 Corporate social responsibility**

The provisions of Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR) are applicable to the Group from this year. The Company has made adequate provision as per Companies Act ,2013.Required amount will be spend during the year.

**32 Leases**

Operating Lease: Company as lessee

The Company has taken hotel premisess under operating lease. Premises leases are generally cancellable and renewable with lock-ins clause by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms. These leases are of operating in nature as they do not qualify for conditions relating to finance lease since the life of the asset exceeds lease term.

For the hotel leases the future minimum lease payments under such leases in aggregate is as follows -

| Particulars | 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| (i) not later than one year | 900.34 | 717.21 | 498.80 | 201.00 |
| (ii) later than one year and not later than five years | 5,244.68 | 3,554.76 | 2,691.97 | 1,081.72 |
| (iii) later than five years | 6,517.11 | 5,089.97 | 5,284.45 | 1,867.86 |

Lease payments charged to Statement of profit and loss account for the year amounting to Rs 523.67 Lakhs (31 March 2024 Rs. 561.8 Lakhs : 31 March 2023: Rs. 248.5 Lakhs; 31 March 2022: Rs. 37.5 Lakhs).

Notes:

(i) There are no other restrictions imposed by lease arrangements.

**33 Related party disclosure**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

**A List of Related Parties where transaction has taken place during the year:**

| Names | Category of related parties |
|---|---|
| **a) Company which is a holding, subsidiary or an associate company of such company** | |
| The company do not have any holding or subsidiary company. | |
| **b) Key managerial personnel** | |
| Mrs. Vittal Vidyaramesh | Whole time director/ Women Director |
| Mr. Ramesh Siva | Managing Director |
| Mrs. Deepthi Shiva | Non Executive Director |
| Prem Gul Rajani | Director till 28.10.2024 |
| Vishwanathan Swaminathan | Director |
| Jayaraman Mithun | Director till 06.11.2024 |
| Mr. Ananthakrishnan Veeraraghavan | Chief Financial Ofiicer till 06.11.2024 |
| Mr. Mithun Jayaraman | Chief Financial Oficer (with effect from 06.11.2024) |
| Mr. Sambasivam | Relative of KMP |
| Uma Jhawar | Company Secretary till 24.09.2024 |
| Aastha Kochar | Company Secretary (with effect from from 24.09.2024) |
| **c) Company/LLP/Firm in which key managerial person are Directors and Partner** | |
| Grand Hotels & Resorts | |
| Elysium Holidays India Private Limited | |
| Grand Cloud Hotels India LLP | |
| **d) Firms in which the company excercises control** | |
| Grand Seven Hills Hotels | |
| Grand Continent Hotels - 1 | |

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**B Transactions with related parties and the status of outstanding balance as on 30 September 2024:**

**i Transactions during the year**

| Nature of Transaction | Name of Party | 30 September 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|---|
| Director Remuneration | Vittal Vidyaramesh | 15.00 | 30.00 | 6.00 | 6.00 |
| | Ramesh Siva | 24.00 | 30.00 | 2.50 | - |
| Remuneration to KMP | | | | | |
| | Ananthakrishnan Veeraraghavan | 12.50 | 4.20 | - | - |
| Loan (liability) repaid during the year | | | | | |
| | Ramesh Siva | - | 308.17 | 531.25 | - |
| | Vittal Vidyaramesh | - | 221.07 | 201.85 | - |
| | Grand Continent Hotels - 1 | 6.42 | - | - | - |
| Loan (liability) given during the year | | | | | |
| | Ramesh Siva | - | - | 501.50 | - |
| | Vittal Vidyaramesh | - | - | 465.82 | - |
| | Grand Seven Hills Hotels | 45.69 | 3.09 | - | - |
| | Grand Continent Hotels - 1 | 56.07 | - | - | - |
| Repayment of money collected on behalf of company | | | | | |
| | Grand Hotels & Resorts | 16.22 | - | 7.24 | - |
| | Elysium Holidays India Private Limited | 0.02 | - | 80.65 | - |
| Money collected on behalf of the company | | | | | |
| | Elysium Holidays India Private Limited | - | 21.97 | 66.77 | - |
| | Grand Hotels & Resorts | - | 43.86 | - | - |
| Short term loan taken during the year | | | | | |
| | Grand Continent Hotels - 1 | - | 6.42 | - | - |
| | Grand Seven Hills Hotels | - | - | 148.83 | - |
| Salary Advance | | | | | |
| | Ramesh Siva | 9.31 | - | - | - |
| | Vittal Vidyaramesh | 23.12 | - | - | - |
| Private Placement Shares issued | | | | | |
| | Ramesh Siva | - | 123.15 | - | - |
| | Vittal Vidyaramesh | 23.00 | 91.25 | - | - |
| Securities premium on the shares issues | | | | | |
| | Ramesh Siva | - | 49.26 | - | - |
| | Vittal Vidyaramesh | 133.40 | 36.50 | - | - |
| Bonus Shares issued | | | | | |
| | Ramesh Siva | 735.00 | - | - | - |
| | Vittal Vidyaramesh | 335.79 | - | - | - |
| Expenses reimbursable | | | | | |
| | Elysium Holidays India Private Limited | - | - | - | 47.74 |
| Drawings during the year | | | | | |
| | Grand Continent Hotels - 1 | 35.00 | 68.78 | - | - |
| | Grand Seven Hills Hotels | 30.93 | 54.00 | - | - |
| Management Fees Income | | | | | |
| | Grand Continent Hotels - 1 | 60.00 | 59.85 | - | - |
| | Grand Seven Hills Hotels | 60.00 | 62.18 | - | - |

**ii Outstanding balance at the year end**

**a) Balance payable at the year-end:**

| | | | | | |
|---|---|---|---|---|---|
| Salary payable | | | | | |
| | Ananthakrishnan Veeraraghavan | 2.08 | 2.10 | - | - |
| Trade payable (net) | | | | | |
| | Elysium Holidays India Private Limited | - | - | 3.03 | 10.85 |
| Loan from related party | | | | | |
| | Ramesh Siva | - | - | 283.88 | 254.12 |
| | Vittal Vidyaramesh | - | - | 180.51 | 444.47 |
| | Sambasivam | - | - | - | 16.50 |
| | Grand Continent Hotels - 1 | | | - | - |
| Capital Advances | | | | | |
| | Grand Hotels & Resorts | - | - | 7.24 | - |

**b) Balance receivable at the year-end :**

| | | | | | |
|---|---|---|---|---|---|
| Long term loan given to related party | Grand Continent Hotels - 1 | 56.07 | - | - | - |
| | Grand Seven Hills Hotels | 206.48 | 134.64 | 148.83 | - |
| Salary Advance | | | | | |
| | Ramesh Siva | 33.61 | 24.30 | - | - |
| | Vittal Vidyaramesh | 63.69 | 40.56 | - | - |
| Loan/ advances given to related party | | | | | |
| | Elysium Holidays India Private Limited | 25.02 | 25.00 | - | - |
| | Grand Hotels & Resorts | 67.41 | 51.20 | - | - |

**34 Segment reporting:**

The Company operates in a single business segment namely hotel management. Hence, no separate disclosure as per "AS 17" is required for the business segment. Also, there is no geographical segment applicable to the Company as the Company operates only in India and supplies only to one customer located in India.

**35 Subsequent events**

No subsequent event has been observed which may require an adjustment to the financial statements.

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## 36 Group information

The consolidated financial statements of the group includes following subsidiaries-
Details of Subsidiary are as follows:

| Name of Entity | Country of Incorporation | Ownership interest held by Group | | | |
|---|---|---|---|---|---|
| | | As at 30 September, 2024 | As at 31 March, 2024 | As at 31 March, 2023 | As at 31 March, 2022 |
| **Subsidiaries** | | | | | |
| Grand Continent Hotel -1[$] | India | | | | |
| -Ownership interest held by Group | | 60.00% | 60.00% | 60.00% | 0.00% |
| -Non Controlling Interest | | 40.00% | 40.00% | 40.00% | 0.00% |
| Grand Seven Hills Hotels[@] | India | | | | |
| -Ownership interest held by Group | | 51.00% | 50.00% | 50.00% | 50.00% |
| -Non Controlling Interest | | 49.00% | 50.00% | 50.00% | 50.00% |

$ date of acquisition- 09 May 2022
@ date of acquisition - 01 June 2024
Grand Seven Hills was Joint venture till 31 May 2024 and it became its Subsidiary from 01 June 2024
* The word subsidiary refers to subsidiaries as described in the Accounting Standard - 21.

## 37 Additional information on the entities included in the consolidated financial statements

| Name of the entity in | 30 September 2024 | | | | As at 31 March 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e., total assets minus total | | Share in profit or loss | | Net Assets i.e., total assets minus total | | Share in profit or loss | |
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| Parent: | | | | | | | | |
| Grand Continent Hotel Limited | 81.24% | 3,845.85 | 71.54% | 445.26 | 95.16% | 2,944.26 | 129.63% | 528.58 |
| | | | | | | | | |
| Subsidiary: | | | | | | | | |
| Grand Continent Hotel - 1 | 5.02% | 237.57 | 7.57% | 47.11 | 4.68% | 144.68 | 2.29% | 9.33 |
| Grand Seven Hills | 17.34% | 820.75 | 10.46% | 65.13 | | - | | - |
| Minority Interest | | (632.20) | | (58.84) | | (94.81) | | (3.73) |
| | | | | | | | | |
| Joint Venture: | | | | | | | | |
| Grand Seven Hills | | | 0.14% | 0.88 | 13.22% | 409.06 | 3.39% | 13.81 |
| | | | | | | | | |
| Less: Elimination | | 461.70 | | 122.84 | | (309.04) | | (140.21) |
| **Total** | | **4,733.66** | | **622.37** | | **3,094.14** | | **407.77** |
| | | | | | | | | |
| **Minority interest in all subsidiaries Associates (Investment as per equity method)** | | | | | | | | |
| Indian | | 632.20 | | 58.84 | | 94.81 | | 3.73 |
| | | | | | | | | |

| Name of the entity in | As at 31 March 2024 | | | | As at 31 March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | |
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| Parent: | | | | | | | | |
| Grand Continent Hotel Limited | 95.16% | 2,944.26 | 129.63% | 528.58 | 5.30% | 8.49 | 179.95% | 186.24 |
| | | | | | | | | |
| Subsidiary: | | | | | | | | |
| Grand Continent Hotel - 1 | 4.68% | 144.68 | 2.29% | 9.33 | 96.55% | 154.58 | 1.82% | 1.88 |
| Minority Interest | | (94.81) | | (3.73) | | (101.38) | | (1.38) |
| | | | | | | | | |
| Joint Venture: | | | | | | | | |
| Grand Seven Hills | 13.22% | 409.06 | 3.39% | 13.81 | 347.10% | 555.73 | 0.21% | 0.22 |
| | | | | | | | | |
| Less: Elimination | | (309.04) | | (140.21) | | (457.32) | | (83.47) |
| **Total** | | **3,094.14** | | **407.77** | | **160.11** | | **103.49** |
| | | | | | | | | |
| **Minority interest in all subsidiaries Associates (Investment as per equity method)** | | | | | | | | |
| Indian | | 94.81 | | 3.73 | | 101.38 | | 1.38 |
| | | | | | | | | |

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**38 Employee benefits**

**Defined contribution plans:**
The group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the entity is required to contribute a specified percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to Rs.5.43 lakhs made to Employee Provident Fund Organisation, have been charged to the Profit and Loss Statment. The contributions payable to this plan by the entity is at rates specified in the rules of the scheme.

**Defined benefit plans**
The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the Profit and loss Statement and the funded status and amounts recognised in the Balance Sheet for the Gratuity plan.

| Particulars | 30 September 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| **Change in Defined Benefit Obligation** | | | | |
| **Opening Defined Benefit Obligation** | 23.08 | 6.66 | 4.28 | - |
| Current Service Cost | 2.84 | 1.45 | 0.73 | 4.28 |
| Interest Cost | 0.82 | 0.49 | 0.24 | - |
| Actuarial Losses / (Gain) | 1.03 | 14.47 | 1.42 | - |
| Benefits Paid | - | - | - | - |
| **Closing Defined Benefit Obligation** | **27.77** | **23.08** | **6.66** | **4.28** |
| | | | | |
| **Change in Fair Value of Assets :** | | | | |
| **Opening Fair Value of Plan Assets** | - | - | - | - |
| Expected Return on Plan Assets | - | - | - | - |
| Contributions by Employer | - | - | - | - |
| Benefits Paid | - | - | - | - |
| **Closing Fair Value of Plan Assets** | **-** | **-** | **-** | **-** |
| | | | | |
| **Amount Recognized in Balance Sheet :** | | | | |
| Present Value of Funded Obligations | 27.77 | 23.08 | 6.66 | 4.28 |
| Fair Value of Plan Assets | - | - | - | - |
| Unrecognized Past Service Cost | - | - | - | - |
| **Net Obligation recognized in Balance Sheet** | **27.77** | **23.08** | **6.66** | **4.28** |
| | | | | |
| **Expense Recognized in Statement of Profit & Loss Account :** | | | | |
| Current Service Cost | 2.84 | 1.45 | 0.73 | 4.28 |
| Interest on Defined Benefit Obligation | 0.82 | 0.49 | 0.24 | - |
| Expected Return on Plan Assets | - | - | - | - |
| Net Actuarial Gain / (Loss) recognized in the year | 1.03 | 14.47 | 1.42 | - |
| **Expense Recognized in Statement of Profit & Loss Account** | **4.69** | **16.41** | **2.39** | **4.28** |
| | | | | |
| Less: Contributions by Employer | - | - | - | - |
| | | | | |
| **Total Gratuity For the year** | **4.69** | **16.41** | **2.39** | **4.28** |
| | | | | |
| **Actuarial Gain/Loss Recognised** | | | | |
| Actuarial (gain)/loss on obligations | 1.03 | 14.47 | 1.42 | - |
| Actuarial (gain)/loss for the year-plan assets | | - | - | - |
| **Actuarial Gain/Loss Recognised in the Year** | **1.03** | **14.47** | **1.42** | **-** |
| | | | | |
| **Amount Recognized in Balance Sheet :** | | | | |
| Present Value of Funded Obligations | | | | |
| - Current | 8.35 | 5.01 | 2.01 | 1.32 |
| - Non Current | 19.42 | 18.06 | 4.65 | 2.96 |
| | | | | |
| **Summary of Principal Actuarial Assumptions :** | | | | |
| Discount Rate (p.a.) | 6.77% | 7.14% | 7.30% | 5.54% |
| Salary Escalation Rate (p.a.) | 8.00% | 8.00% | 8.00% | 8.00% |

**39 Additional Regulatory Information**

**(a) Current ratio = Current assets divide by Current liabilities**

| Particulars | 30 September 2024 | 31 March 2024 * | 31 March 2023 ** | 31 March 2022 |
|---|---|---|---|---|
| Current Assets | 1,872.70 | 1,530.30 | 230.10 | 466.25 |
| Current Liabilities | 1,357.95 | 927.09 | 634.13 | 485.07 |
| Ratios (in times) | 1.38 | 1.65 | 0.36 | 0.96 |
| % change from previous year/period | -16.45% | 354.90% | -62.25% | NA |

**Reason for change more than 25%**
* Due to increase in Current Assets
** Due to decrease in Current Assets

**(b) Debt-Equity ratio = Total Debt divide by Total Equity**

| Particulars | 30 September 2024 | 31 March 2024 * | 31 March 2023 ** | 31 March 2022 |
|---|---|---|---|---|
| Total Debt (Including short term borrowings) | 4,032.24 | 3,496.26 | 5,706.58 | 5,472.33 |
| Total Equity | 4,733.66 | 3,094.14 | 160.11 | (163.21) |
| Ratios (in times) | 0.85 | 1.13 | 23.15 | (21.28) |
| % change from previous year/period | -24.80% | -95.12% | 208.82% | NA |

**Reason for change more than 25%**
* Due to infusion during the year 2024
** Due to increase in other equity

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**(c) Debt service coverage ratio = Earnings available for debt service divide by Debt Service**

| Particulars | 30 September 2024 * | 31 March 2024 ** | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| Earnings available for debt service | 1,008.05 | 875.24 | 564.70 | 323.25 |
| Total debt Service | 212.51 | 352.63 | 352.61 | 304.72 |
| Ratios (in times) | 4.74 | 2.48 | 1.60 | 1.06 |
| % change from previous year/period | 91.12% | 54.98% | 50.96% | NA |

**Reason for change more than 25%**
* Due to increase in earnings for the period
** Due to increase in earnings for the year

**(d) Return on equity ratio = Net profit after tax divide by Average shareholders equity**

| Particulars | 30 September 2024 * | 31 March 2024 ** | 31 March 2023 *** | 31 March 2022 |
|---|---|---|---|---|
| Net profit after tax | 681.21 | 411.50 | 104.87 | (79.29) |
| Average shareholders equity | 3,913.90 | 1,627.12 | (1.55) | (123.57) |
| Ratios (in times) | 0.17 | 0.25 | (67.56) | 0.64 |
| % change from previous year/period | 31.18% | -100.37% | -10629.18% | NA |

**Reason for change more than 25%**
* Due to infussion during the year 2024
** Due to increase in other equity and net profit after tax
*** Due to increase in other equity

**(e) Trade Receivable Turnover ratio = Revenue from Operations divide by Average trade receivables**

| Particulars | 30 September 2024 * | 31 March 2024 ** | 31 March 2023 *** | 31 March 2022 |
|---|---|---|---|---|
| Revenue from operations | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Average trade receivables | 499.39 | 220.01 | 188.93 | 199.16 |
| Ratios (in times) | 6.38 | 14.20 | 8.89 | 3.03 |
| % change from previous year/period | -55.09% | 59.66% | 193.87% | NA |

**Reason for change more than 25%**
* Due to credit customers increased and better recovery of dues
** Due to increase in revenue during the year
*** Due to increase in revenue during the year

**(f) Net Capital turnover ratio = Revenue from operations divide by Working capital**

| Particulars | 30 September 2024 * | 31 March 2024 | 31 March 2023 ** | 31 March 2022 |
|---|---|---|---|---|
| Revenue from operations | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Working Capital | 558.98 | 99.59 | (211.42) | 103.31 |
| Ratios (in times) | 5.70 | 31.36 | (7.95) | 5.83 |
| % change from previous year/period | 81.84% | -494.67% | -236.22% | NA |

**Reason for change more than 25%**
* Due to increase in working capital
** Due to increase in revenue for the year

**(g) Net Profit ratio = Net profit after tax divide by Revenue from operations**

| Particulars | 30 September 2024 * | 31 March 2024 ** | 31 March 2023 *** | 31 March 2022 |
|---|---|---|---|---|
| Net profit after tax | 681.21 | 411.50 | 104.87 | (79.29) |
| Revenue from operations | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Ratios (in times) | 0.21 | 0.13 | 0.06 | (0.13) |
| % change from previous year/period | 62.41% | 111.05% | 147.44% | NA |

**Reason for change more than 25%**
* Due to increase in profit for the year
** Due to increase in revenue during the year
*** Due to increase in revenue during the year

**(h) Return on capital employed ratio = Profit before interest and tax divide by Capital employed**

| Particulars | 30 September 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| Profit before interest and tax | 1,012.59 | 904.82 | 542.64 | 140.64 |
| Capital Employed | 8,138.04 | 5,337.61 | 3,788.48 | 3,348.76 |
| Ratios (in times) | 0.12 | 0.17 | 0.14 | 0.04 |
| % change from previous year/period | -26.60% | 18.35% | 241.05% | NA |

**40 Other Matters**

| Regulatory information | Particulars |
|---|---|
| Details of benami property held | The Group does not hold any benami property |
| Borrowing secured against current assets | The Group has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time other than those disclosed in note 6. |
| Willful defaulter | The Group has not been declared a willful defaulter by any bank or financial institution or other lender. |
| Registration of charges or satisfaction with RoC | There are no charges or satisfaction which are yet to be registered with the Registrar of Companies Registration of charges or satisfaction with RoC beyond the statutory period. |
| Transaction with Struck Off Companies | The Company do not have any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act. 1956. |
| Compliance with number of layers of companies | The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 |
| Compliance with approved scheme(s) of arrangements | The Group does not have any transaction / scheme of arrangements which requires approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013. |
| Undisclosed Income | The Group does not have any transaction not recorded in the books of account that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.<br>The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the same shall be<br>(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or<br>(ii) provided as any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. |
| Utilisation of borrowed funds and share premium | Further, the Group has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that the Group shall be<br>(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or<br>(ii) provided as any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries |
| Loans or advances to specified persons | The Group has provided loans or advances in the nature of loans to related parties, (as defined under Companies Act, 2013,) that are repayable on demand or (Refer Note 14.1). |
| Details of crypto currency or virtual currency | The Group has not traded or invested in crypto currency or virtual currency. |
| Valuation of PP&E, intangible asset and investment property | The Group has not revalued any of its property, plant and equipment (including right-of-use assets), intangible asset and investment |

**Note** The above referred financial statements have already been audited, and an audit report was issued on November 14, 2024. However, due to certain corrections in the financial statements, the same has been revised by the Company.

**The accompanying notes 1 to 40 are an integral part of these restated consolidated financial statements.**
**As per our report of even date attached**

**For Bhuta Shah & Co LLP**
*Chartered Accountants*
Firm Registration No. 101474W / W100100

**Jay Jhaveri**
*Partner*
**Membership No.:134864**
Place: Mumbai
Date: 12 March, 2025

**For and on behalf of the Board of Directors**
**Grand Continent Hotels Limited**
**(formerly known as Grand Continent Hotels Private Limited)**
CIN:U55101TN2011PLC083100

**Ramesh Siva**
*Managing Director*
DIN: 02449456
Place: Bengaluru
Date: 12 March, 2025

**Vittal Vidyaramesh**
*Whole Time Director*
DIN: 02127241
Place: Bengaluru
Date: 12 March, 2025

**Mithun Jayaraman**
*Chief Financial officer*
Place: Bengaluru
Date: 12 March, 2025

**Aastha Kochar**
*Company Secretary*
Place: Bengaluru
Date: 12 March, 2025

BHUTA SHAH & CO LLP * MUMBAI FRN - 101474W/ W100100 * CHARTERED ACCOUNTANTS

GRAND CONTINENT HOTELS LIMITED

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Consolidated Financial Statements of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as calculated based on the Restated Consolidated Financial Statements are given below :

| Sr. No. | Particulars | As at and for the period ended September 30, 2024* | As at and for the year ended March 31, 2024 | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
|---|---|---|---|---|---|
| 1 | Basic EPS (in ₹)[(1)(3)] | 3.74 | 2.54 | 0.70 | -0.53 |
| 2 | Diluted EPS (in ₹)[(2)(3)] | 3.74 | 2.54 | 0.70 | -0.53 |
| 3 | Return on Equity (in times) | 0.17 | 0.25 | -67.56 | -0.87 |
| 4 | Net Asset Value per share (in ₹)[(4)] | 21.53 | 75.17 | 5.81 | -16.16 |
| 5 | EBITDA (in ₹ Lakhs)[(5)] | 1,124.60 | 986.48 | 625.31 | 238.44 |
| 6 | EBITDA Margin (%)[(6)] | 35.32 | 31.58 | 37.22 | 39.56 |

*As certified by M/s Bhuta Shah & Co LLP., Chartered Accountants, by way of their certificate dated November 19, 2024.*
**Not annualised*

***Notes:***

1. *Basic Earnings Per Share = Restated Net Profit after tax / Weighted average number of equity shares outstanding during the year.*
2. *Diluted Earnings Per Share = Restated Net Profit after tax / Weighted average number of diluted potential equity shares outstanding during the year*
3. *Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 "Earnings per Share", notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014*
4. *NAV per equity share =Restated Net worth at the end of the year (or period) / number of Equity shares outstanding at the end of the year / period. Net worth is computed as the sum of the aggregate of paid-up Equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.*
5. *EBITDA =Profit before Tax + finance costs + depreciation and amortisation expense + exceptional loss + total tax expense/(credit) less Other Income.*
6. *EBITDA margin (%) = EBITDA divided by Revenue from Operations.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (the "**Audited Financial Statements**") are available on our website at https://grandcontinenthotels.com/.

The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) this Red Herring Prospectus (iii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider when subscribing for or purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Neither our Company, or any of its advisors, nor the Promoter Selling Shareholder, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

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

*You should read the following discussion in conjunction with our Restated Consolidated Financial* Statements *included herein as of and for the six month period ended September 30, 2024 and Financial Years 2024, 2023 and 2022, including the related notes, schedules and annexures on page 234 of this Red Herring Prospectus. Our restated consolidated financial statements have been prepared in accordance with Indian GAAP, the Companies Act, the SEBI ICDR Regulations and the Guidance Note.*

*We have included various operational and financial performance indicators in this Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial* Statements *or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial* Statements *and other information relating to our business and operations included in this Red Herring Prospectus.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "**India Mid-Scale Hotels Market**" dated September 25, 2024 (the "**KEN Research Report**") prepared and issued Ken Research Private Limited. The KEN Research Report has been exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the KEN Research Report and may have been re-ordered by us for the purposes of presentation. A copy of the KEN Research Report is available on the website of our Company at https://grandcontinenthotels.com/. Unless otherwise indicated, financial, operational, industry and other related information derived from the KEN Research Report and included herein with respect to any particular Fiscal/ Calendar Year refers to such information for the relevant Fiscal/ Calendar Year. Ken Research Private Limited is not a related party as per the definition of "related party" under the Companies Act, 2013 or the SEBI LODR Regulations to our Company or any of our Directors, Promoters, Key Managerial Personnel or Senior Management or the Book Running Lead Manager. For further information, refer section titled "Risk Factors - Certain sections of this Red Herring Prospectus disclose information from the Ken Research Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by us exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 38 of this Red Herring Prospectus.*

*Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our "Restated Consolidated Financial* Statements*" on page 234 of this Red Herring Prospectus. Please note that the financial information with respect to our JV Partner Entities has been consolidated in the Restated Consolidated Financial* Statements *as per Accounting Standard on page 234 of this Red Herring Prospectus.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 27 and 38, respectively of this Red Herring Prospectus.*

### Overview

We operate in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. We seek to cater to Indian middle-class guests and business travelers and to deliver differentiated yet superior service offerings, with a value-for-money proposition. Our Company along with the JV Partner Entities have 16 operational hotel properties and operates a total of 753 hotel keys as of September 30, 2024 across states of Karnataka (Bengaluru/ Mysuru), Tamil Nadu (Hosur), Goa (Anjuna/Morjim), Andhra Pradesh (Tirupati) and Telangana (Secunderabad). The split of our hotel keys under upper – mid priced, mid-priced and economy segment are as follows:

| Details | (no. of keys) | | | | CAGR (%) |
|---|---|---|---|---|---|
| | As at six month ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 | |
| Upper – Mid Priced | 218 | 180 | 88 | - | 43.74 |

| | | | | | |
|---|---|---|---|---|---|
| Mid - Priced | 511 | 327 | 217 | 168 | 37.41 |
| Economy | 24 | 24 | 24 | 24 | - |
| **Total** | **753** | **531** | **329** | **192** | **47.76** |

Our occupancy across all properties is 67.69 % for Six months period ended September 30, 2024, 71.98% for FY 2024, 73.92% for FY 2023 and 61.04% for FY 2022. As per Ken Research, new mid-scale properties typically take 12 to 18 months to achieve stable occupancy levels (60-70%), depending on factors such as the property's location in a high-demand tourist or business hub, brand affiliation, seasonality, market conditions, and the effectiveness of its marketing, distribution strategy, and guest experience. In cases where the location is favourable and guest experience is positive, this period can shorten to 6 - 12 months. Excluding properties with less than 6 months of operations, our adjusted occupancy is 72.33% for Six months period ended September 30, 2024, 75.17% for FY 2024, 79.00% for FY 2023 and 61.90% for FY 2022.

We believe that we are well-positioned to benefit from growing hospitality demand fuelled by several key factors such as the robust increase in domestic tourism; the growing middle class, alongside their evolving lifestyles; a significant uptick in business travel, particularly from small and medium-sized enterprises (SMEs); and the broadening scope of business activities into Tier 2, 3, and 4 cities. The Foreign Tourist Arrivals (FTAs) in India continued to grow from 2.54 million in 2001, 6.31 million in 2011 to reach 10.93 million in year 2019. Subsequently, after opening of the economy post COVID -19 Pandemic, tourism has shown increasing signs of revival. In year 2022, India registered 6.44 million FTAs i.e. attained around 60% of pre-pandemic level with a growth of 323.7% over 2021. In 2023, 9.23 million foreign tourists visited India. Although the FTAs arrival tally still remains less than the pre-pandemic number of 10.93 million in 2019, 2024 numbers are expected to surpass it. Domestic tourist visits have grown substantially post pandemic, fuelled by rising disposable incomes, an expanding middle class, and a shift in lifestyle choices that prioritize travel and leisure. Additionally, better road networks, improved rail and air connectivity, and the expansion of affordable accommodation options have made travel more accessible to a wider audience. The top 5 states in domestic tourist visits in 2022 were Uttar Pradesh (317.9 Mn), Tamil Nadu (218.6 Mn), Andhra Pradesh (192.8 Mn), Karnataka (182.4 Mn) and Gujarat (135.8 Mn) with their respective shares being 18.4%, 12.6%, 11.1%, 10.5% and 7.8%. These 5 States accounted for about 60.5% of the total domestic tourist visits in the country *(Source: Ken Research)*.

***Management and operations***

Our Promoter, Mr. Ramesh Siva, who is also our Chairman and Managing Director, has more than two decades of experience in the hotel and hospitality industry. He has demonstrated ability to manage and grow operations organically and also by acquiring and integrating hotels. The leadership team of our company has extensive experience in identifying hospitality destinations and securing of hotels under lease considering factors such as Location, economic potential, target customers and branding.

Our dedicated in-house asset management team includes experienced hospitality professionals to oversee key operational aspects, such as procurement, marketing, human resource management and capital expenditure decisions. Our asset management practices are designed to provide a comfortable experience for guests, tenants and consumers and are driven by comprehensive procedures aimed at improving the operational performance of our assets through increased occupancy rates and revenue generation, as well as enhanced cost efficiencies. All our hotel properties are well staffed with security, front desk, housekeeping and food and beverages service coverage to ensure that we create a well-rounded service experience for our guest.

**KEY OPERATIONAL DATA**

The following table sets out our key operational data as of/for the years indicated. All operational data below is provided for the six month period ended September 30, 2024 and as at March 31, 2024, March 31, 2023 and March 31, 2022, respectively (other than ARR, Occupancy and RevPAR which are provided for the six month period ended September 30, 2024 and FY 2024, FY 2023 and FY 2022, respectively).

| **Details** | **As at and for the period six months ended September 30, 2024** | **FY 2024** | **FY 2023** | **FY 2022** |
|---|---|---|---|---|
| *Total Number of hospitality assets* | **16** | **12** | **7** | **5** |
| *Total Number of keys* | **753** | **531** | **329** | **192** |
| | | | | |

| | | | | |
|---|---|---|---|---|
| **Hospitality Assets – Upper Mid-Priced** | | | | |
| *Number of hospitality assets* | *4* | *3* | *1* | *0* |
| *Number of keys* | *218* | *180* | *88* | *n/a* |
| *Occupancy (%) (1)* | *55.82%* | *67.18%* | *3.38% (4)* | *n/a* |
| *ARR (₹) (2)* | *3,969.02(5)* | *3,883.51* | *3,971.15* | *n/a* |
| *RevPAR (₹) (3)* | *2,215.52* | *2,609.10* | *134.09* | *n/a* |
| | | | | |
| **Hospitality Assets – Mid Priced** | | | | |
| *Number of hospitality assets* | *11* | *8* | *5* | *4* |
| *Number of keys* | *511* | *327* | *217* | *168* |
| *Occupancy (%) (1)* | *73.90%* | *73.28%* | *77.74%* | *59.65%* |
| *ARR (₹) (2)* | *3,512.61(6)* | *3,409.85* | *2,783.77* | *1,971.63* |
| *RevPAR (₹) (3)* | *2,595.86* | *2,498.68* | *2,164.08* | *1,176.16* |
| | | | | |
| **Hospitality Assets – Economy** | | | | |
| *Number of hospitality assets* | *1* | *1* | *1* | *1* |
| *Number of keys* | *24* | *24* | *24* | *24* |
| *Occupancy (%) (1)* | *76.31%* | *77.91%* | *68.92%* | *68.08%* |
| *ARR (₹) (2)* | *1,549.79* | *1,467.90* | *1,471.43* | *911.47* |
| *RevPAR (₹) (3)* | *1,182.72* | *1,143.71* | *1,014.04* | *620.55* |

*Notes*

*(1) Occupancy = Total room nights sold during a relevant year/period divided by the total available room nights during the same year/period.*

*(2) Average room rate (ARR) = being room revenues during a given year/period divided by total number of room nights sold in that year/period.*

*(3) RevPAR = calculated as Average Room Revenue for a relevant period multiplied by Average Occupancy Rate for that period.*

*(4) Property went live on 24th February 2023 with a total of 104 room nights billed for FY 2023.*

*(5) One of the four hospitality properties classified as "Upper Mid-Priced" and accounting for 38 keys were active for less than six months during six months period ended September 30, 2024.*

*(6) Three of the eleven hospitality properties classified as "Mid-Priced" and accounting for 184 keys were active for less than six months during six months period ended September 30, 2024.*

**KEY FINANCIAL DATA**

| Details | Unit | As at and for the period six months ended September 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---|---|---|
| Total Keys | Number | 753 | 531 | 329 | 192 |
| Revenue from Operations | (₹ in Lakh) | 3,183.98 | 3,123.69 | 1,680.15 | 602.69 |
| Total Income(1) | (₹ in Lakh) | 3,186.32 | 3,153.16 | 1,704.70 | 602.73 |
| Total Income Growth (Y-o-Y)(2) | % | NA | 84.97% | 182.83% | 110.40% |
| EBITDA(3) | (₹ in Lakh) | 1,124.60 | 986.48 | 625.31 | 238.44 |
| EBITDA margin(4) | % | 35.32% | 31.58% | 37.22% | 39.56% |
| EBITDA/Key(5) | (₹ in Lakh) | 1.49 | 1.86 | 1.90 | 1.24 |
| Restated Profit / (loss) for year (6) | (₹ in Lakh) | 622.37 | 407.77 | 103.49 | (79.29) |
| Restated profit/(loss) for the year Margin(7) | % | 19.53% | 12.93% | 6.07% | (13.16)% |
| Net debt(8) | (₹ in Lakh) | 3,294.21 | 2,653.19 | 3,661.48 | 3,430.15 |
| Total Equity(9) | (₹ in Lakh) | 4,101.46 | 2,999.33 | 58.73 | (163.21) |

| | | | | | |
|---|---|---|---|---|---|
| Net Debt / Total Equity[10] | Number | 0.80 | 0.88 | 62.34 | (21.02) |
| Net debt / EBITDA[11] | Number | 2.93 | 2.69 | 5.86 | 14.39 |
| Total assets[12] | (₹ in Lakh) | 9,793.63 | 7,391.43 | 4,226.10 | 3,436.58 |
| Total Borrowings[13] | (₹ in Lakh) | 4,022.23 | 3,496.26 | 3,706.58 | 3,472.33 |
| Total Borrowings / Total Assets[14] | Number | 0.41 | 0.47 | 0.88 | 1.01 |

*Notes*

*(1) Total income means the sum of revenue from operations and other income.*
*(2) Total Income Growth (%) is calculated as a percentage of total income of the relevant year/period minus Total Income of the preceding year, divided by total income of the preceding year/period.*
*(3) EBITDA =Profit before Tax + finance costs + depreciation and amortisation expense + exceptional loss less Other Income.*
*(4) EBITDA margin (%) = EBITDA divided by Revenue from Operations.*
*(5) EBITDA / key= EBITDA divided by average number of keys during the year.*
*(6) Restated profit / (loss) for the period/ year = Total Income less Total Expenses less Total Tax expenses for the year and adjustment for minority Interest.*
*(7) Restated profit/(loss) margin for the period/ year Margin (%) = Restated profit/(loss) for the year divided by the total income for the year*
*(8) Net debt = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents*
*(9) Total Equity = Equity Share Capital + Other Equity*
*(10) Net Debt / Total Equity = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / Shareholders equity*
*(11) Net debt / EBITDA = Long term borrowings (including current maturities of long-term borrowings) + short term borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents / EBITDA*
*(12) Total Assets = non-current assets + Current assets*
*(13) Total Borrowings = Long Term Borrowings + Short Term Borrowings*
*(14) Total Borrowings / Total Assets = Long Term Borrowings + Short Term Borrowings divided by non-current assets + Current assets*

**Significant Factors Affecting our Results of Operations**

***Increasing Competition with Highly Fragmented Market***

The mid-scale hotel sector in India is characterized by increasing competition amid a highly fragmented landscape. Almost every city features a mix of numerous branded and unbranded hotels, including both family-owned establishments and larger chains. Historically, the supply of branded hotels was concentrated in the luxury and premium segments, driven primarily by foreign tourism. However, the significant rise in domestic tourism has prompted many hotel brands to venture into the mid-range market, intensifying competition within this segment.

The presence of well-established properties complicates the competitive environment, as customers now have an abundance of options at their disposal. This saturation diminishes pricing power for hotels, forcing them to compete aggressively on rates and amenities. The proliferation of online hotel aggregators has further intensified this trend, allowing customers to easily compare prices and availability across various properties, which in turn drives down rates and increases pressure on margins. *(Source: KEN Research Report)*

***Capital-intensive Industry with Long Gestation Period***

The mid-scale hotel industry in India faces significant challenges due to its capital-intensive nature and extended gestation periods of 5-10 years. Prime hotel locations often command high land prices, elevating initial investment requirements. Additionally, constructing a hotel involves substantial costs related to safety measures, high-quality building standards, and aesthetically pleasing interiors and furnishings.

Owners must allocate considerable resources, both finances and time, before realizing any returns. The need for substantial working capital is further compounded by the cyclical and seasonal nature of the hospitality business. While peak seasons can generate substantial revenue, off-peak periods can lead to underutilization, resulting in financial strain as operational costs persist year-round. This creates an ongoing challenge for hoteliers in managing liquidity and ensuring sustainability.
*(Source: KEN Research Report)*

***Shortage of Skilled Labor***

Most branded hotels in India today are severely underpowered. The current shortfall in the branded hotels space is 80,000-100,000 people. These hotels require 1.2-1.5 million people every year and this requirement is growing at a CAGR of 5.5-5.6%15. This shortage hampers operational efficiency, impacts service quality, and constrains growth potential, posing a critical challenge for maintaining competitive standards and meeting increasing market demands.
*(Source: KEN Research Report)*

***Fluctuations in Demand***

The India mid-scale hotel market faces significant challenges due to fluctuations in demand. The peak season, from October to April, benefits from high activity such as weddings, but July to September see a marked slowdown. This reliance on seasonal variations affects occupancy rates and RevPAR, leading to slower growth during off-peak months. Additionally, the market is vulnerable to economic fluctuations and external factors like political instability or pandemics, further complicating revenue stability and forecasting.
*(Source: KEN Research Report)*

***Consumer Price Sensitivity***

Price sensitivity among consumers has become a significant challenge in the mid-scale hotel sector. With a growing number of budget-conscious travelers and increased price comparison tools, guests are more focused on finding the best value for their money. Chains with well-established brands might leverage their scale to offer competitive pricing or value-added services without compromising profitability. In contrast, independent hotels, which may lack the same scale efficiencies, face greater pressure to adjust pricing strategies and offer compelling value propositions to attract price-sensitive customers.
*(Source: KEN Research Report)*

**Material Accounting Policy Information**

**Summary of Significant Accounting Policies**

**Basis of preparation of restated consolidated financial statements:** The restated consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These restated consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards (AS) referred to in Sections 133 of the Companies Act 2013 (“the Act”), read with Rule 7 of Companies (Accounts) Rules 2014.

Functional and presentation currency: The restated consolidated financials statements are presented in Indian Rupees (INR or ₹), which is also the group company's functional currency.

The restated consolidated financial statements of the group have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Group is unable to continue as a going concern.

**Principles of Consolidation:** The restated consolidated financial statements relate to Grand Continent Hotels Limited (‘The Company’) and its subsidiary (together referred as "The Group") and its jointly controlled entity. The restated consolidated Financial Statements have been Prepared on the following basis:

The financial statements of the group companies are combined on a line-by-line basis and its jointly controlled entity by proportionate consolidation method by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with accounting standard (AS) 21 - “restated consolidated financial statement" and AS 27 - "Financial Reporting of Interest in Joint Ventures"

Minority Interest’s share of net profit of restated consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

JV partner’s share of net assets of restated consolidated subsidiaries is identified and presented in the restated consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.

As far as possible, the restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

Subsidiary and Jointly controlled entity considered in the restated consolidated financial statements are:

| Name of the Subsidiary, Jointly control and associate | Country of Incorporation | Extent of Holding | | | | Reporting Currency | Effective date of becoming Subsidiary |
|---|---|---|---|---|---|---|---|
| | | 30 September 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 | | |
| Grand Continent Hotel -1- Subsidiary | India | 60.00% | 60.00% | 60.00% | - | ₹ | May 09, 2022 |
| Grand Seven Hill Hotel – Subsidiary* | India | 51.00% | 50.00% | 50.00% | - | ₹ | June 01, 2024* |

** Prior to becoming subsidiary, it was a jointly controlled entity.*

**Use of estimates:** The preparation of the 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 and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized. Any revision to accounting estimates is recognized in the current and future periods

**Going concern:** These restated consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classifications of carrying amount of assets or to the amounts and classification of liabilities that may be necessary if the group is unable to continue as a going concern.

**Current / non-current classification:** The Schedule III to the Companies Act 2013 requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
(ii) it is held primarily for the purpose of being traded;
(iii) it is expected to be realised within twelve months after the balance sheet date; or
(iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in, the entity's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;
(iii) it is due to be settled within twelve months after the balance sheet date; or
(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

*Operating Cycle:* All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule III to the Act. Based on the nature of activities of the Group, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**Statement of cash flow:** Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**Revenue Recognition:**

*Revenue from operations*

***Sale of Services:*** Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

*Other Income*

***Interest income:*** Interest income is recognised using the time proportion method, based on the amount outstanding and the underlying interest rates

***Others:*** Other income is recognized once there is no insignificant uncertainity regarding the amount of the consideration that will be derived.

**Property plant and equipment:**

***(i)*** *Tangible property plant and equipment:* Property plant and equipment owned and operated by the Group are reported at cost, less accumulated depreciation and/or impairment losses, if any. Cost includes its purchase price including non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Property, plant and equipment is eliminated from the restated consolidated financial statements on disposal or when no further economic benefit is expected from its use and disposal.

Gains or losses arising from disposal/retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss.

***(ii)*** *Depreciation:* Depreciation on property, plant and equipment is calculated on a straight-line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013 or as per the useful lives estimated by the management except for leasehold improvements which are depreciated over the term of lease.

***(iii)*** *Derecognition:* An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the restated consolidated statement of profit or loss in the year the asset is derecognised.

**Inventories Valuation:**
*Stores and operating supplies:* Lower of cost and net realisable value. Cost is determined on first in first out basis and includes all applicable costs in bringing goods to their present location and condition.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

**Investments:** On initial recognition, all investments are measured at cost. Cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the restated consolidated financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged to the Statement of profit and loss.

Provision for diminution in value is made to recognise a decline other than temporary in the value of investments. No such provision has been made during the year.

**Leases:**

(i) *Operating lease:* Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of profit and loss as per the arrangement with the lessor over the lease term.

(ii) *Finance lease:* Assets taken on finance lease are capitalised at an amount equal to the fair value of the leased assets or the present value of minimum lease payments at the inception of the lease, whichever is lower. Such leased assets are depreciated over the lease tenure or the useful life, whichever is shorter. The lease payment is apportioned between the finance charges and reduction to principal, i.e., outstanding liability. The finance charge is allocated to the periods over the lease tenure to produce a constant periodic rate of interest on the remaining liability. The Group has taken no assets on finance lease.

**Cash and cash equivalents:** Cash comprises of cash in hand, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Earnings per share (EPS):** The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**Employee Benefits:**

(i) *Short-term employee benefits:* All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences for paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged during the year to the Statement of profit and loss.

(ii) *Long-term employee benefits:* The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss for the year, as applicable.

Gratuity: Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences: As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the financial year and lapses at the end of the financial year.

**Taxes on income:**

(i) *Current tax:* Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Company has opted for Section 115BAA of the Income Tax Act,1961 and accordingly has not considered MAT Credit available for the purpose of payment of current taxes.

(ii) *Deferred tax:* Deferred tax is recognised on timing differences, being the differences between the taxable and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items

other than carry forward losses only to the extent that virtual certainty supported by convincing evidence exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**Borrowing costs:** Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Borrowing costs includes interest incurred in connection with the arrangement of borrowings.

**Impairment of Assets:** The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**Provision, Contingent Liabilities and Contingent Assets:** Provisions are recognised when the Group has a present obligation as a result of past events, 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 (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised in the restated consolidated financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements.

**Key Components of our Consolidated Statement of Profit and Loss**

The following descriptions set forth information with respect to the key components of our restated consolidated statement of profit and loss.

***Income***

Income consists of revenue from operations and other income.

*Revenue from operations*. Revenue from operations comprises Sale of services from Room revenue, Food and soft beverages and management fees. For details of our services, please refer section titled "*Our Business – Overview*" on page 162 of this Red Herring Prospectus.

Set forth below is a breakdown of our revenue from operations based on our reporting categories for the six-month period ended September 30, 2024 and Financial Years 2024, 2023 and 2022.

| **Particulars** | **For the six-month period ended September 30, 2024** | | **Financial Year** | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | **2024** | | **2023** | | **2022** | |
| | ***Amount (₹ in Lakhs)*** | ***% of Revenue from Operations*** | ***Amount (₹ in Lakhs)*** | ***% of Revenue from Operations*** | ***Amount (₹ in Lakhs)*** | ***% of Revenue from Operations*** | ***Amount (₹ in Lakhs)*** | ***% of Revenue from Operations*** |
| Room revenue | 2,901.47 | 91.13% | 2,988.28 | 95.67% | 1,607.58 | 95.68% | 590.43 | 97.97% |

| Particulars | For the six-month period ended September 30, 2024 | | Financial Year | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 2024 | | 2023 | | 2022 | |
| | *Amount (₹ in Lakhs)* | *% of Revenue from Operations* | *Amount (₹ in Lakhs)* | *% of Revenue from Operations* | *Amount (₹ in Lakhs)* | *% of Revenue from Operations* | *Amount (₹ in Lakhs)* | *% of Revenue from Operations* |
| Food and soft beverages | 208.88 | 6.56% | 104.32 | 3.28% | 72.57 | 4.32% | 12.26 | 2.03% |
| Other operating revenue | 73.63 | 2.31% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Management fees | 00 | 0.00% | 31.09 | 1.00% | 0 | 0.00% | 0 | 0.00% |
| **Revenue from operations** | **3,183.98** | **100.00%** | **3,123.69** | **100.00%** | **1,680.15** | **100.00%** | **602.69** | **100.00%** |

*Other income*. The key components of our other income are (i) interest income from fixed deposit; and (ii) miscellaneous other income.

***Expenses***

Expenses consist of employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

*Employee benefit expenses:* Employee benefit expenses include salaries, wages and bonus, contribution to provident fund and other funds, director's remuneration, staff welfare expenses and gratuity expenses.

*Finance cost:* Finance cost includes interest expense on borrowing and other finance charges.

*Depreciation and amortization expense:* Depreciation and amortization expense includes depreciation of building, leasehold building, plant & equipment, Electrical Installations, furniture & fixtures, Vehicles, Office Equipment, and Computer.

*Other expenses:* Other expenses primarily comprise Payment to Auditors, Business promotion expenses, Lease Rentals, Other rentals, Communication expense, Commission expense, Uniform washing and laundry , Brokerage fees, Housekeeping and room amenities expenses, Power, fuel and water , Food and beverages , Freight Charges, Franchisee fees, Banquet hall charges, License renewal, Office maintenance, Provision for Bad Debts, Printing and stationery, Postage and courier, Professional fees, Rates and taxes, Repairs & maintenance , Security charges, Software subscription charges, Travelling and conveyance, Bank charges, Management fees, News Paper and periodical expenses, Banquet Hall Charges, TV recharge expenses, Signing fees expenses, Advertising expenses, and miscellaneous expenses

*Tax expense:* Tax expense consists of current tax, and deferred tax.

**Our Results of Operations**

The following tables set forth select financial data from our restated consolidated statement of profit and loss for the six-month period ended September 30, 2024 and Financial Years 2024, 2023, and 2022, the components of which are also expressed as a percentage of total income for such periods:

| Particulars | For the six-month period ended September 30, 2024 | | Financial Year | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 2024 | | 2023 | | 2022 | |
| | *Amount (₹ in Lakhs)* | *% of Revenue from Operations* | *(₹ in Lakhs)* | *% of Total Income* | *(₹ in Lakhs)* | *% of Total Income* | *(₹ in Lakhs)* | *% of Total Income* |
| Revenue from Operations | 3,183.98 | *99.93%* | 3,123.69 | *99.07%* | 1,680.15 | *98.56%* | 602.69 | *99.99%* |
| Other income | 2.34 | *0.07%* | 29.47 | *0.93%* | 24.55 | *1.44%* | 0.04 | *0.01%* |
| **Total Revenue (A)** | **3,186.32** | ***100.00%*** | **3,153.16** | ***100.00%*** | **1,704.70** | ***100.00%*** | **602.73** | ***100.00%*** |
| **Expenses: (B)** | | | | | | | | |
| Employee benefit expenses | 608.81 | *19.11%* | 547.85 | *17.37%* | 268.30 | *15.74%* | 112.59 | *18.68%* |
| Other expenses | 1,450.57 | *45.52%* | 1,589.36 | *50.41%* | 786.54 | *46.14%* | 251.66 | *41.76%* |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Finance Cost | 212.51 | *6.67%* | 352.63 | *11.18%* | 352.61 | *20.68%* | 304.72 | *50.56%* |
| Depreciation and amortization expense | 114.34 | *3.59%* | 111.12 | *3.52%* | 107.22 | *6.29%* | 97.83 | *16.23%* |
| **Profit before exceptional items, extraordinary items and tax (C=A-B)** | **800.09** | ***25.11%*** | **552.20** | ***17.51%*** | **190.03** | ***11.15%*** | **(164.07)** | ***-27.22%*** |
| Exceptional Items (D) | - | *0.00%* | - | *0.00%* | - | *0.00%* | - | *0.00%* |
| **Profit before tax (E=C-D)** | **800.09** | ***25.11%*** | **552.20** | ***17.51%*** | **190.03** | ***11.15%*** | **(164.07)** | ***-27.22%*** |
| **Tax Expenses** | | | | | | | | |
| - Current Tax | 131.21 | *4.12%* | 9.92 | *0.31%* | 1.71 | *0.10%* | - | *0.00%* |
| - Deferred Tax | (12.33) | *-0.39%* | 130.78 | *4.15%* | 83.45 | *4.90%* | (84.78) | *-14.07%* |
| **Total Tax Expense (F)** | **118.88** | ***3.73%*** | **140.70** | ***4.46%*** | **85.16** | ***5.00%*** | **(84.78)** | ***-14.07%*** |
| **Profit after tax (G=E-F)** | **681.21** | ***21.38%*** | **411.50** | ***13.05%*** | **104.87** | ***6.15%*** | **(79.29)** | ***-13.16%*** |
| Add: Share of Profit transferred (to) / from minority Interest **(H)** | 58.84 | *1.85%* | 3.73 | *0.12%* | 1.38 | *0.08%* | - | *0.00%* |
| **Profit/(Loss) for the year (I=G+H)** | **622.37** | ***19.53%*** | **407.77** | ***12.93%*** | **103.49** | ***6.07%*** | **(79.29)** | ***-13.16%*** |

***Total Revenue:*** Our total revenue for the six months period ended September 30, 2024 was ₹3,186.32 Lakhs and comprised revenue from operations and other income.

Revenue from operations: Our revenue from operations for the six months period ended September 30, 2024 was ₹3,183.98 Lakhs and primarily comprised of room revenue of ₹2,901.47 lakhs, revenue from food and soft beverages of ₹208.88 lakhs and other operating revenues of ₹73.63 lakhs.

Other Income: Our other income for the six months period ended September 30, 2024 was ₹2.34 lakhs and primarily comprised of interest income of fixed deposit of ₹0.42 lakhs and other income of ₹1.92 lakhs.

***Total expenses:*** Total expenses for the six months period ended September 30, 2024 was ₹2,386.23 lakhs and comprised of Employee benefit expenses, Finance costs, depreciation and amortization expenses and and other expenses.

Employee benefits expense: Employee benefits expense was ₹608.81 lakhs for the six months period ended September 30, 2024 and primarily comprised of salaries, wages and bonus of ₹522.22 lakhs, contribution to provident funds and other funds of ₹4.82 lakhs, Directors remuneration of ₹39.00 lakhs, staff welfare expenses of ₹38.08 lakhs and gratuity expenses of ₹ 4.69 lakhs.

Finance costs: Finance costs was ₹212.51 lakhs for the six months period ended September 30, 2024 and primarily comprised of Interest on borrowings of ₹211.63 lakhs and other finance charges of ₹0.88 lakhs.

Depreciation and amortization expense: Depreciation and amortization expenses was ₹ 114.34 lakhs for the six months period ended September 30, 2024.

Other expenses: Other expenses were ₹ 1,450.57 lakhs for the six months period ended September 30, 2024 and primarily comprised of Lease Rentals of ₹ 523.67 lakhs, commission expenses of ₹129.84 lakhs, Housekeeping and room amenities expenses of ₹63.55 lakhs, power, fuel and water of ₹157.94 lakhs, Food and beverages of ₹270.55 lakhs and Franchisee fees of ₹113.36 lakhs.

***Tax expenses*:** Total tax expenses of ₹118.88 lakhs for the six months period ended September 30, 2024, we had a current tax expense of ₹131.21 lakhs and a deferred tax expense of ₹(12.33) lakhs.

***Profit for the year***: As a result of the foregoing, our profit for the year of ₹622.37 lakhs for the six months period ended September 30, 2024 after adjusting Share of Profit transferred to minority Interest of ₹58.84 lakhs.

***Financial Year 2024 compared to Financial Year 2023***

**Revenue from operations:**

Revenue from operations increased by 85.92% from ₹1,680.15 Lakhs in the year 2022-23 to ₹3,123.69 Lakhs in the year 2023-24.

The increase in revenue can be attributed to two primary factors:

A. Revenue Contribution from New Units and Upscaling Market Position: A significant driver of revenue growth this year was the strategic opening of new units, which not only expanded the company's footprint but also enhanced its market positioning through higher Average Room Rates (ARR). These new units were designed to attract premium clientele, offering enhanced facilities and services that allowed the company to charge higher rates, thus elevating the brand's standing in the market.

**Tirupati**, which was operational for the full year, contributed ₹ 501 lakhs, as compared to just 15 days the previous year, made a substantial contribution to revenue. Similarly, a small 25 room unit in Koramangala (K25), operational for 11 months, contributed ₹222 lakhs, provided a steady revenue stream.

However, the real impact came from the introduction of units with notably higher ARRs, reflecting the company's strategic move towards premium offerings. **Hosur**, operational for 5 months, contributed ₹139 lakhs, achieved an impressive ARR exceeding 3250, while **Manyata**, with 3 months of operations, contributed ₹59 lakhs, recorded an even higher ARR of over 5237. Even shorter operational periods, like **Secunderabad** (2 months) ₹14 lakhs and **Anjuna** (1 month) ₹17 lakhs, played their part in enhancing revenue, showing the strength of the company's new openings.

These new units contributed not only to revenue growth but also repositioned the company in the market, upscaling its brand through premium offerings, thus securing a stronger competitive advantage.

B. Improved Utilization and Higher Average Room Rates (ARR) in Existing Units: In addition to the revenue from new units, the performance of existing units improved significantly. The company achieved a peak utilization rate, with the average occupancy decreased from 73.92% in 2023 to 71.95% in 2024, indicating more efficient use of capacity.

Additionally, the Average Room Rate (ARR) across existing units increased by approximately 10%, moving from 2652.41 in 2023 to 3403.45 in 2024. This higher ARR, combined with the improved occupancy, contributed to a substantial increase in revenue from the existing portfolio. Overall better contribution to the revenue by ₹489 Lakhs.

Conclusion: The combination of new units driving high revenue with elevated ARRs and improved performance from existing units has led to significant revenue growth for the company. This growth is not just a reflection of increased capacity but also of the company's strategic shift towards premium offerings, enhancing its positioning in the market and setting the stage for continued success.

**Employee Benefit Expenses:**

Employee benefit expenses increased by 104.20% from ₹268.30 Lakh in the year 2022-23 to ₹547.85 Lakh in the year 2023-24. The increase in Employee Benefit Expenses can be attributed to two primary factors:

A. Salaries for Existing Units: The growth in salary expenses was significantly driven by the need to support peak demand at each of the existing units, to ₹291 lakhs in FY24 from ₹268 lakhs in FY23. As the company experienced higher activity levels, particularly during busy periods, there was a corresponding increase in staffing requirements. To meet the demands of increased operational capacity and ensure high service standards, salaries for existing employees were adjusted upward. This adjustment not only supported the operational needs during peak times but also helped maintain the quality of service, which is crucial for sustaining customer satisfaction and loyalty.

B. Salaries for New Units: In addition to the adjustments made for existing units, the opening of new units contributed to the rise in overall salary expenses, approximately ₹255 lakhs. Each new unit required a full complement of staff to manage operations effectively from the outset. The costs associated with hiring and training new employees, as well as the initial salaries paid to them, were significant. These expenses reflect the company's investment in building a capable workforce to support its expanded operations and ensure smooth integration of new units into the existing business structure.

Summary: Overall, the increase in salary expenses was driven by both the need to enhance support at existing units during peak demand and the additional staffing requirements for newly opened units. This strategic investment in human resources was essential for accommodating higher operational demands and supporting the company's growth initiatives.

**Depreciation and Amortization expense:**

Depreciation and amortization expense increased by 3.64% from ₹107.22 Lakh in 2022-23 to ₹111.12 Lakh in 2023-24.

The increase in depreciation during the year was influenced by two key factors:

Existing Units: Depreciation for existing units was lower in the current year (CY) compared to the previous year (PY), as certain assets reached later stages of their depreciation cycles.

New Units: While several new units were added, most of them were operational for less than 180 days, leading to a limited impact on overall depreciation expenses for the year.

As a result, the overall change in depreciation expense was insignificant. When viewed in relation to revenue growth, the depreciation expense as a percentage of revenue has actually decreased, reflecting improved operational efficiency.

**Finance Costs:**

Finance Costs increased by 0.01% from ₹352.61 Lakh in 2022-23 to ₹352.63 Lakh in 2023-24.

Despite a significant increase in revenues, there was no notable change in the company's finance cost during the current financial year. The reasons for this stability in finance costs are as follows:

Negligible Increase in Finance Cost: While the company did secure an additional loan of ₹5.75 crore during the period, the impact on finance costs was minimal. This is primarily because the loan was disbursed towards the end of the financial year, resulting in only a limited increase in interest expense for the current period.

Stable Finance Costs Relative to Revenue: With the company experiencing strong revenue growth, the stable finance costs led to a reduction in finance costs as a percentage of total income. This demonstrates efficient financial management, as the company was able to expand operations without a proportional rise in borrowing costs.

Growth Funded Primarily by Equity: The significant expansion through new units in the year was primarily funded by equity rather than debt. By leveraging equity funding, the company managed to avoid a heavy reliance on borrowing, thereby keeping finance costs under control. This strategic approach allowed the company to grow its asset base without incurring significant additional interest expenses, reinforcing its solid financial position.

In summary, the minimal increase in finance costs, despite a rise in revenues and the expansion of new units, reflects prudent financial management. With most of the growth funded by equity, the company maintained its low finance costs as a percentage of total income, contributing to its improved overall financial performance.

**Other Expenses:**

Other expenses increased by 102.07% from ₹786.54 Lakh in 2022-23 to ₹1,589.36 Lakh in 2023-24

Other Expenses as per the Financial Statements are direct expenses related to the revenue and indirect expenses for general corporate purposes. All expenses can be further classified as

Fixed and Variable Expense: The company's expense structure during the year can be broadly categorized into two types: fixed expenses, such as lease rentals and electricity costs, and variable expenses, such as commissions and franchise fees, which fluctuate in line with revenue performance.

The increase in other expenses during the year was influenced by two key factors:

Fixed Expenses: Fixed expenses, which include lease rentals and electricity costs, remained relatively consistent throughout the year. Lease rental agreements are long-term contracts, due to opening of multiple new lease properties the cost went up by ₹350 lakhs. While electricity expenses were subject to only modest increases in existing units. The change in electricity expenses, approx. ₹78 lakhs, was due to new units i.e. change in operational capacity. These expenses do not vary significantly with changes in revenue and are necessary to maintain the company's basic operational infrastructure, providing a stable cost base.

Variable Expenses: In contrast, variable expenses, including commission and franchise fees, are closely linked to the company's revenue performance which had an approximate increase of ₹115 lakhs between two years. As revenue increased

during the year, these expenses naturally rose in tandem. Commissions, which are paid to third-party platforms and partners for generating bookings, are calculated as a percentage of sales, while franchise fees are tied to overall revenue figures. which increased proportionally, by ₹ 250 lakhs, reflecting the direct relationship between revenue growth and these types of expenditures. Other minor expenses went up by ₹36 lakhs.

In summary, while fixed expenses remained steady and predictable, variable expenses showed a significant upward trend in response to higher revenues. This dual structure of expenses ensures that while the company benefits from stable operating costs, it also has the flexibility to accommodate higher variable costs, which are a natural consequence of increased business activity.

**Tax Expenses:**

Tax expenses increased by 65.21% from ₹85.16 Lakh in 2022-23 to ₹140.70 Lakh in 2023-24. The increase is due to increasing profits in the year.

**Profit after tax:**

After accounting for taxes and Share of Profit transferred (to) / from minority Interest, the Net Profit is ₹411.50 Lakh in the year 2023-24 compared to ₹104.87 Lakh in the year 2022-23. The increase in the number of revenue contribution from new units, improved utilization, higher average room rate, economies of scale etc. helped us to improve from previous year's performance.

***Financial Year 2023 compared to Financial Year 2022***

**Revenue from operations:**

Revenue from operations increased by 178.78% from ₹602.69 Lakh in the year 2021-22 to ₹1,680.15 Lakh in the year 2022-23.

Increase in revenue was predominantly due to below:

A. Old Units
    a. Tulip Inn – Full year revenue of ₹525 lakhs
    b. Mahadevpura – Full year revenue of ₹160 lakhs (Operational for 5 months in a year).

B. In addition, improved utilization of the units existing, average occupancy increased to 77% in FY23 vs low 62% in the previous year, that was partly impacted due to restrictions of travel. The Company also saw an average increase in ARR to ₹ 2200 in FY23 from ₹ 1600 in the previous year. Overall result, the revenues in the existing units increased to ₹935 lakhs from ₹540 lakhs in FY22.

**Employee Benefit Expenses:**

Employee benefit expenses increased by 138.31% from ₹112.59 Lakh in the year 2021-22 to ₹268.30 Lakh in the year 2022-23.

Increase in employee benefit expense was predominantly due to below:

A. Existing Units – salaries at existing units were low in previous year due to limited operations. Since the utilization of rooms went up, the increase in staff led to increase in salaries. The salary for existing units increased to ₹161 lakhs in FY23 from ₹108 lakhs in FY22.
B. In addition, salaries for the new units, was ₹103 lakhs

**Depreciation and Amortization expense:**

Depreciation and amortization expense increased by 9.60% from ₹97.83 Lakh in 2021-22 to ₹107.22 Lakh in 2022-23. The increase in depreciation was predominantly due to new units starting in 2023-24

**Finance Costs:**

Finance Costs increased by 15.71% from ₹304.72 Lakh in 2021-22 to ₹352.61 Lakh in 2022-23. The increase in finance costs is due to increase in loan from ₹2370 lakhs at end of the year compared to ₹2367 lakhs outstanding loan in the previous year.

**Other Expenses:**

Other expenses increased by 212.53% from ₹251.66 Lakh in 2021-22 to ₹786.54 Lakh in 2022-23
Increase in other units was predominantly due to scale of operations of the existing units.

- Lease Expense – an increase of ₹345 lakhs, due to new units
- Power, Fuel & Water – an increase of ₹87 lakhs, due to increase in activity at existing units and new units.
- Professional Fees – an increase of ₹23 lakhs
- Commission and Business Promotion – an increase of ₹12 lakhs in line with increase in revenues.
- Other general expenses – an increase of ₹68 lakhs

**Tax Expenses:**

Tax expenses increased by 200.04% from ₹(84.78) Lakh in 2021-22 to ₹85.16 lakhs in 2022-23. The increase is due to increasing profits during the year & deferred tax

**Profit after tax:**

After accounting for taxes and Share of Profit transferred (to) / from minority Interest, the Net Profit is ₹103.49 Lakh in the year 2022-23. compared to ₹(79.29) Lakh in the year 2021-22. Profits have increased as compared to previous year commensurate with the increase in revenues and control of expenses.

**Liquidity and Capital Resources**

Our primary sources of liquidity include cash generated from operating activities. As of March 31, 2024, we had cash and cash equivalents of ₹ 843.07 Lakhs.

***Cash flows***
The following table summarizes our cash flows data for the periods indicated:

*(₹ in Lakhs)*

| **Particulars** | **For period Six months ended September 30, 2024** | **For the Financial Year** | | |
|---|---|---|---|---|
| | | **2024** | **2023** | **2022** |
| Net cash flows (used in)/ or generated from operating activities *(A)* | 788.47 | 721.77 | 757.95 | 72.77 |
| Net cash flows (used in)/ or generated from investing activities *(B)* | (2,175.32) | (1,883.38) | (855.12) | (73.15) |
| Net cash flows used in financing activities *(C)* | 1,271.80 | 1,959.58 | 100.09 | 30.60 |
| Net (decrease) / increase in cash and cash equivalents *(A+B+C)* | (115.05) | 797.97 | 2.92 | 30.22 |
| Cash and cash equivalents at the beginning of the year | 843.07 | 45.10 | 42.18 | 11.96 |
| Cash and cash equivalents at the end of the year | 728.02 | 843.07 | 45.10 | 42.18 |

*Net cash flows (used in)/ or generated from operating activities*

Net cash generated from operating activities for the period ended September 30, 2024 was ₹ 788.47 lakhs and our Profit before tax for that period was ₹ 800.09 lakhs. The difference was primarily attributable to depreciation of ₹ 114.34 lakhs, provision for bad debts of ₹0.12 lakhs, gratuity of ₹4.69 lakhs, finance cost ₹212.51 lakhs and interest income of ₹ (0.42) lakhs, and thereafter adjustment for net changes in working capital of ₹(251. 22) lakhs resulting in net cash generated from operations at ₹ 788.47 lakhs.

In Fiscal 2024, cash generated from operating activities (as seen in the restated consolidated financial statements) was at ₹721.77 Lakhs. Below is an analysis of significant changes:

1. Increased Cash Flow from Operations: The increase in cash flow from operations this year can be attributed primarily to a rise in Profit After Tax (PAT). As PAT reflects the company's profitability, a higher PAT translates into improved cash inflows from core business activities. This positive change indicates that the company's operations generated more cash, enhancing its ability to fund its activities and investments from operational earnings.

2. Impact of Increased Debtors: Despite the overall increase in cash flow from operations, there was a notable impact from the rise in debtors (accounts receivable) within the group. An increase in debtors signifies that a larger portion of revenue is tied up in outstanding invoices, which can delay cash inflows. This means that while the company's profitability improved,

the cash available for use was somewhat constrained by the extended collection periods for receivables. In other words, although the company earned more, some of that earnings were not immediately available due to the delayed payments from customers.

3. Timely Payment to Creditors: On the other hand, the company has managed its creditors (accounts payable) efficiently by making payments in a timely manner. This proactive approach in settling obligations helps maintain strong relationships with suppliers and avoids potential disruptions in the supply chain. Timely payments also reflect well on the company's financial discipline and its commitment to meeting its financial commitments.

4. Stability of Cash Flow from Operations: Overall, cash flow from operations remained stable compared to the previous year. This stability indicates that despite fluctuations in specific areas such as receivables, the core cash-generating capabilities of the business were consistent. The company's ability to maintain stable cash flow from operations underscores effective financial management and operational efficiency.

5. Cash Flow Implications of New Units: As new units commenced operations, there was an initial cash burn associated with their setup and early-stage expenses. It is typical for new units to experience a period of negative cash flow in the initial few months due to upfront costs such as hiring, training, and initial operating expenses. However, these units generally reach breakeven within approximately three months as they ramp up operations and begin to generate sufficient revenue to cover their costs. This pattern of cash flow is a normal part of expanding business operations and reflects the company's strategic investment in growth.

Summary: In summary, the increase in cash flow from operations was driven by higher Profit After Tax, although it was somewhat impacted by increased debtors. The company's stable cash flow from operations and timely payments to creditors demonstrate effective financial management. Additionally, the initial cash burn associated with new units, followed by a typical breakeven period, is a standard part of the expansion process, indicating a strategic approach to growth.

In Fiscal 2023, cash generated from operating activities (as seen in the restated consolidated financial statements) was at 757.95 Lakhs. Below is an analysis of significant changes:

1. Shift from Loss to Profit (Change in PAT): In 2022, the company reported a loss of ₹79 lakh, while in 2023, it turned around its financial performance, achieving a profit of ₹1.03 crore. This improvement in Profit After Tax (PAT) was a key driver in enhancing cash flow from operations. The shift from a loss to profitability meant the company generated more internal cash, improving its ability to finance operations and investments without relying heavily on external funding.

2. Impact of Changes in Debtors: Along with the improvement in profitability, changes in working capital—particularly debtors—affected cash flow. In 2023, accounts receivable increased, with a larger portion of sales yet to be collected at year-end. Although this indicates growth in sales, it also means more cash was tied up in unpaid invoices. This delay in collections created short-term pressure on cash flow, as the company had to wait longer to receive payments from customers, despite recording higher revenues.

3. Impact of Creditors: The company managed its creditors efficiently, ensuring timely payments to suppliers and service providers. While this approach maintained strong supplier relationships and supported operational continuity, it also reduced available cash in the short term. Even with the pressures of increasing debtors, the company prioritized honoring its obligations, adding further strain on cash flow from working capital.

4. Cash Flow from Working Capital: The changes in both debtors and creditors significantly influenced cash flow from working capital. While profitability improved, the rise in accounts receivable and the company's disciplined approach to paying off creditors led to a temporary drain on cash. This resulted in a partial offset of the positive cash inflow from higher profits, with more cash tied up in receivables and timely settlements impacting liquidity.

Summary: The improvement from a loss in 2022 to a profit in 2023 significantly boosted cash flow from operations. However, the increase in debtors and timely payments to creditors created a complex dynamic that influenced overall cash flow. Despite higher profitability, working capital adjustments led to short-term pressures on liquidity, with more cash locked in receivables and used for creditor payments.

In Fiscal 2022, cash generated from operating activities (as seen in the restated consolidated financial statements) was at ₹72.77 Lakhs. Below is an analysis of significant changes :- Low revenues of only ₹6 crores, the books of accounts had losses at PAT level. Purely due to better management of working capital, and some benefits of depreciation, the operating cashflow was positive.

*Net cash flows (used in)/ generated from investing activities*

Net cash used in investing activities was ₹(2,175.32) lakhs in the six months period ended September 30, 2024. This was primarily Purchase of property plant and equipment of ₹(1,189.38) Lakhs, addition of capital work in progress of ₹(433.99) Lakhs, purchase of Intangible Assets of ₹(3.84) lakhs, Security Deposit given of ₹ (548.53) lakhs, and interest income of ₹0.42 Lakhs.

In fiscal 2024, Net Cash used in investing activities was ₹1,883.38 Lakhs was predominantly driven by significant capital expenditures related to the development of several new units. These expenditures were incurred prior to the units becoming operational, as part of the company's strategic expansion plan. The funds were allocated toward property acquisition, construction, and pre-opening development, ensuring that each new unit was fully prepared for operations. The major investments included:

- **Tirupati Unit**: Capital expenditure for the Tirupati unit, though it operated for the full year in 2024, was largely incurred in the previous year and in early 2024, covering the final stages of development and setup.
- **K25 Unit**: Investments for K25, operational for 11 months, were made prior to its opening, ensuring the necessary infrastructure, interior work, and equipment were ready for sustained operations.
- **Hosur Unit**: Pre-opening capital expenditure for the Hosur unit was incurred during the early part of 2024, covering construction, furnishing, and essential setup before it began operations 5 months into the year.
- **Manyata Unit**: Significant investments were made prior to the Manyata unit's go-live, which started operations 3 months into the year. These funds covered property development, high-end furnishing, and advanced infrastructure to match the unit's higher Average Room Rate (ARR).
- **Secunderabad Unit**: Pre-operational capital outlays for this unit were incurred for setup, construction, and development prior to its opening, which took place 2 months before year-end.
- **Anjuna Unit**: The company made upfront investments in property development and readiness for the Anjuna unit, which began operating 1 month into the year, reflecting significant pre-opening capital commitments.

These investments, though recorded as capital expenditures before the units began generating revenue, are necessary for the long-term growth and sustainability of the company. The capital outflows reflected in 2024's cash flow statement indicate the company's forward-looking approach, where the financial resources are allocated to ensure that each new unit is ready for smooth and efficient operations upon opening. These expenditures are expected to drive future revenue growth as the new units ramp up their operations and achieve profitability.

In fiscal 2023, Net Cash used in investing activities was ₹ 855.12 Lakhs was primarily driven by capital expenditures associated with new units that went live during the year. These investments were booked well before the units became operational, reflecting the company's strategy of ensuring all necessary infrastructure, property development, and equipment were in place before launching operations. Key capital investments during 2023 included:

- **Tirupati Unit**: Although this unit only became operational for the last 15 days of 2023, significant capital expenditure was incurred earlier in the year. The funds were allocated toward property development, construction, and infrastructure setup, ensuring the unit was ready to open in December.
- **K25 Unit**: Substantial investments were made for K25 in 2023, focusing on pre-operational requirements such as building infrastructure, interior development, and equipment procurement. These expenditures ensured the unit was fully prepared to operate for a portion of the year.

The capital expenditures in 2023, reflected in the company's cash flow from investing activities, were all pre-emptive, booked to ensure that the newly opened units could commence operations efficiently and effectively. These investments, while representing short-term cash outflows, positioned the company for future growth as the new units became operational and began contributing to revenue.

In fiscal 2022, Net Cash used in investing activities was ₹ 73.15 Lakhs which was primarily used for purchasing property plant and equipment's.

*Net cash flows generated from financing activities*

Net cash generated from financing activities was ₹1,271.80 lakhs in the six months period ended September 30, 2024. This was primarily due to proceeds from short term borrowing of ₹183.19 Lakhs, proceeds from issue of equity of ₹68.51 Lakhs, transactions with non-controlling interests of ₹ 478.55 lakhs, proceeds from Securities Premium of ₹ 408.89 lakhs, Capital reserves of ₹8.35 Lakhs and proceeds of Long Term Borrowings of ₹342.79 Lakhs offset by Interest & finance charges paid of ₹(212.51) Lakhs, and Drawings by partners of ₹(5.97) Lakhs.

In fiscal 2024, Net Cash inflow from financing activities was ₹1,959.58 Lakhs. This was primarily due to repayment of short term borrowing of ₹(4.47) Lakhs, proceeds from issue of equity of ₹298.03 Lakhs and proceeds from Securities Premium of ₹2,244.77 Lakhs offset by Interest & finance charges paid of ₹(352.63) Lakhs, Transactions with non-controlling interests of ₹(10.30) Lakhs, Drawings by partners of ₹(9.97) Lakhs and repayment of Long Term Borrowings of ₹(205.85) Lakhs.

In fiscal 2023, Net cash flows used in financing activities was ₹100.09 Lakhs. This was primarily due to proceeds from short term borrowings of ₹234.25 Lakhs, proceeds from Drawers by partners of ₹118.43 Lakhs and proceeds from Ttransactions with non-controlling interests of ₹100.02 Lakhs, offset by Interest & finance charges paid of ₹(352.61) Lakhs.

In fiscal 2022, Net cash flows used in financing activities was ₹30.60 Lakhs. This was primarily due to proceeds from short term borrowings of ₹335.29 Lakhs, offset by Interest & finance charges paid of ₹(304.69) Lakhs.

***Capital expenditures***

Capital expenditures consist of primarily fixed assets of property, plant and equipment and furniture and fixtures. We intend to continue enhancing the facilities at our hotels and developing new opportunities at our hotels, which may lead us to incur further capital expenditure. The following table sets forth details of our capital expenditure for the years indicated:

*(₹ in Lakh)*

| **Particulars** | **For period Six months ended September 30, 2024** | **For the year ended March 31** | | |
|---|---|---|---|---|
| | | **2024** | **2023** | **2022** |
| **Non-current Assets** | | | | |
| Property, plant and equipment (Tangible) | 4,534.92 | 3,459.27 | 3,077.66 | 2,750.08 |
| Capital work-in progress | 921.37 | 487.39 | 38.36 | - |
| Intangible assets | 4.20 | 0.37 | 4.81 | - |

***Financial indebtedness***

As February 28, 2025, we had outstanding borrowings (current and non-current) amounting to ₹ 4,547.03 Lakhs, which primarily consisted of borrowings on account of term loan from banks & financial institution, loans from related parties and current maturities of long-term borrowings. For further details related to our indebtedness, refer section titled "*Financial Indebtedness*" on page 289 of this Red Herring Prospectus.

**Contingent Liabilities, capital and Other Commitments**

As at March 31, 2024, March 31, 2023 and March 31, 2022, estimated amounts of contingent liabilities amounted to ₹29.11 Lakhs, ₹ 23.29 Lakhs and ₹ 22.1 Lakhs in each year, respectively.

The commitments as at March 31, 2024 was ₹83.56 Lakhs, March 31, 2023 was ₹4.47 Lakhs and March 31, 2022 was Nil.

**Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. These transactions typically relate to, Directors remuneration, short term loan repaid, repayment of money collected on behalf of Company, Short term loan taken, Excess of repayment over collection on behalf of company, Shares issued, Securities premium on the shares issues, Expenses reimbursable. For further information relating to our related party transactions, refer section titled "*Related Party Transactions*" on page 232 of this Red Herring Prospectus.

**Off-Balance Sheet Commitments and Arrangements**

We do not have any off-balance sheet arrangements, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

**Quantitative and Qualitative Analysis of Market Risks**

Our business activities expose us to a variety of financial risks, namely, market risk, credit risk and liquidity risk. Our Board of Directors manages our financial risks through internal risk reports which analyze exposure by the magnitude of risk.

***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by

market risks include borrowings, lease liabilities, trade payables and other payables, loans, trade receivables and other receivables.

***Foreign currency risk***
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange relate to our operating and financial activities.

***Interest rate risk***
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in the market interest rates relate primarily to our long-term debt obligations with floating interest rates. We manage our interest rate risk by having a portfolio of fixed and variable rate borrowings.

***Liquidity Risk***
Liquidity risk refers to the risk that we cannot meet our financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. We consistently generate sufficient cash flows from operations to meet our financial obligations as and when they fall due.

***Credit Risk***

Credit risk is the risk that a customer or counter-party will not meet its obligations under a financial instrument, leading to financial loss. We are exposed to credit risk from investments, trade receivables, cash and cash equivalents, other bank balance, loans and other financial assets. Our credit risk is minimized as our financial assets are carefully allocated to counter parties reflecting the credit worthiness. Credit risk on trade receivables is subject to our established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Further, our trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in the six month period ended September 30, 2024 and Fiscals 2024, 2023 and 2022.

**Unusual or Infrequent Events or Transactions**

Except as disclosed in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

**Known Trends or Uncertainties**

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 "*Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*", on pages 268 and 38, respectively of this Red Herring Prospectus. Except as disclosed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future Relationship between Cost and Revenue**

Other than as described in "*Risk Factors*", "*Our Business*" and above in "*– Significant Factors Affecting our Results of Operations*" on pages 38, 162 and 268, respectively, of this Red Herring Prospectus to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**New Products or Business Segments**

Except as disclosed in this Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

**Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" on pages 38 and 162, respectively, of this Red Herring Prospectus.

**Significant Dependence on a Single or Few Customers or Suppliers**

We have a wide customer base, and our business is not dependent on any single or few suppliers.

**Significant Developments Occurring after September 30, 2024**

Except as disclosed otherwise in this Red Herring Prospectus, to our knowledge, there is no subsequent development after September 30, 2024, which materially and adversely affects, or is likely to affect, our trading or profitability, or the value of our assets, or our ability to pay our liabilities within the next twelve months.

1. The Company has availed a loan of ₹ 3,00,00,000 (Indian Rupees Three Crore Only) from UC Inclusive Credit Private Limited on 30 October 2024. The loan is a secured term loan, intended for business expansion and to meet the working capital requirements of the Company. The loan tenure is 33 (thirty-three) equated monthly instalments (EMIs), which includes a moratorium period of 3 (three) months on principal repayment. The interest rate applicable on the loan is 17.00% per annum (Seventeen percent per annum), excluding applicable taxes, duties, and other charges, as per the terms agreed between the parties.

2. The Company has shifted the registered office of the Company from Old No.23 New No.51 Eldams Road, Alwarpet,Chennai, Tamil Nadu, India, 600018 To S No. 245/1A/1B Venpursham Village, Mamallapuram, Veeralapakkam, Thiruporur, Chengalpattu, Tamil Nadu 603110 outside the local limits of the city, town or village falling under the same jurisdiction of existing ROC.

3. The Company has allotted 90,000 (Ninety Thousand only) 16% Secured, Redeemable, Non-Convertible Debentures, Series-2 ("NCD Series-2"), at a price of INR 100/- (Indian Rupees One Hundred only) per NCD, under Tranche-2, aggregating to a total value of INR 90,00,000/- (Indian Rupees Ninety Lakhs Only).

4. The resignation of Mr. Prem Gul Rajani (DIN:00062833) from the directorship of the Company with effect October 28, 2024.

5. The resignation of Mr. Mithun Jayaraman (DIN:09165361) from the directorship of the Company with effect November 06, 2024.

6. The resignation of Mr. Anantha Krishnan from the post of "Chief Financial Officer of the Company" ("CFO") with effect November 06, 2024.

7. The Company decided to appoint Mr. Mithun Jayaraman as a "Chief Financial Officer" of the Company with effect November 06, 2024.

8. The Company has availed a top-up loan of ₹ 2,50,00,000 (Indian Rupees Two Crore Fifty Lakhs Only) on January 31, 2025, by utilising its existing facility from Hinduja Leyland Finance Limited. The loan is availed for purposes of business expansion and working capital requirements of the Company and secured by mortgage by deposit of title deed of immovable property located at site No.3, 3rd Main Road, K.R. Garden, Koramangala, Bengaluru – 560095, Karnataka, India, pending creation of charge with Registrar of Companies, Chennai. The loan tenure is for 120 (One-Hundred and Twenty) months. The interest rate applicable on the loan is 12.50% per annum (Twelve and half percent per annum), on monthly reducing balance basis excluding applicable taxes, duties, and other charges, as per the terms agreed between the parties.

9. The Restated Consolidated Financial Statements were audited, and an examination report was issued on November 14, 2024, for inclusion in Draft Red Herring Prospectus. Subsequently, an account balance reclassification was identified and rectified. Consequently, the revised Restated Consolidated Financial Statements were prepared and approved by the Board on March 12, 2025, and an examination report has been issued thereon on March 12, 2025 by the Statutory Auditors of the Company.

## CAPITALIZATION STATEMENT

The following table sets forth our capitalization and total debt as of September 30, 2024 (based on our Restated Consolidated Financial Statements) and as adjusted to give effect to the Offer. This table should be read in conjunction with the '*Summary Financial Information', 'Risk Factors', 'Management's Discussion and Analysis of Financial Condition and Results of Operations'* and "*Other Financial Information"* contained in the "Financial Information" on pages 81, 38, 268 and 267 respectively of this Red Herring Prospectus.

***(₹ in Lakhs except ratio)***

| PARTICULARS | PRE-OFFER AS AT SEPTEMBER 30, 2024 | ADJUSTED FOR THE POST-OFFER# |
|---|---|---|
| **Borrowings** | | |
| Current borrowings (including current maturities of Long term Debt) | 541.53 | [●] |
| Non-current borrowings | 3,480.70 | [●] |
| **Total borrowings** | **4,022.23** | **[●]** |
| | | |
| **Equity** | | |
| Share capital* | 1,865.90 | [●] |
| Reserve and Surplus* | 2,235.56 | [●] |
| **Total Equity^** | **4,101.46** | [●] |
| **Ratio: Total Borrowings / Total Equity** | **98.07%** | [●] |
| **Ratio: Non-Current Borrowing/Total Equity** | **84.86%** | [●] |

*Notes:*
**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*
*#The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*
*^ Total Equity does not include minority interest (non- controlling interest) amounting to ₹ 632.20 Lakhs*

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on February 28, 2025, together with a brief description of certain significant terms of such financing arrangements.

The summary of the aggregate financial indebtedness of our Company on a consolidated basis, as on February 28, 2025, is as set forth below:

**(₹ in Lakhs)**

| **Category of borrowing** | **Sanctioned Amount as on February 28, 2025** | **Outstanding amount as on February 28, 2025** |
|---|---|---|
| **A. Secured** | | |
| Term Loan | 3,819.77 | 3,431.76 |
| Non-convertible debentures | - | 840.00 |
| Working capital -Letter of credit/OD | 155.00 | 129.16 |
| Bank guarantees | - | - |
| Vehicle loans | 70.00 | 46.11 |
| Sub-Total (A) | **4,044.77** | **4,447.03** |
| **B. Unsecured** | | |
| Non-convertible debentures | - | - |
| Working Capital | - | - |
| From Related Parties | - | - |
| From Others (including inter corporate deposit) | 100.00 | 100.00 |
| Sub-Total (B) | 100.00 | 100.00 |
| Total (A+ B) | **4,144.77** | **4,547.03** |

**A. SECURED LOANS:**

**DETAILS OF SECURED LOANS INCLUDING SUMMARY OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

| **Category of borrowing** | **Name of the Lender/Investor** | **Sanctioned Amount (₹ in Lakhs) as on February 28, 2025** | **Outstanding amount (₹ in Lakhs) as on February 28, 2025** | **Rate of Interest p.a.** | **Tenure** | **Repayment Terms** | **Collateral / Asset Charged** | **Purpose for which the loan was sanctioned** |
|---|---|---|---|---|---|---|---|---|
| Term loan | Bank of Baroda | 70.00 | 4.14 | 12.15 % | 60 months | Monthly EMI | Hypothecation of furniture and fixture equipment | To start hotel lodging at Malleswaram, Bengaluru |
| Term loan | Bank of Baroda | 8.70 | 4.71 | 9.25% | 48 months including moratorium period of 12 months | Monthly EMI | Hypothecation of stocks and Book debts | Working Capital |
| Non-convertible debentures | Bhavin B Sodavadiya HUF | - | 25.00 | 16% | 36 months | Quarterly | Hypothecation-Exclusive | To meet the needs for the |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| Non-convertible debentures | Tarulata Hemant Shah | | 25.00 | 16% | 36 months | Quarterly | charge over free cash receivable from a property situated at address no 75, Bagalur Road. opposite to Pantaloons, Avalapalli. Hudco. Hosur 635109 Tamil Nadu. having a built-up area of 10900 sq ft having 45 rooms, 5th floor- Restaurant. Banquet and kitchen and 6th Floor Terrace . | expansion of business operations while performing certain capital expenditure for sites of the Company |
| Non-convertible debentures | Sanjay Jain HUF | | 25.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Shweta Parikh jointly with Shrenik Shah | | 25.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Pal Gaurang Shah | | 25.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Chandrahas Jamnadas HUF | | 35.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Sandhya Bharat Vanjara | | 25.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Beyond facets Private limited | | 100.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Bang Paper and Boards Private Limited | | 50.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Trupti Ketan Dholakia | | 15.00 | 16% | 36 months | Quarterly | Hypothecation - Exclusive charge over free cash receivable from a property situated at address on ground floor, house no.742, Grand Continent Morjim, survey no 207/7, | |
| Non-convertible debentures | Gitaben Rameshbhai Patel | | 15.00 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Utkarsh Desai HUF | | 12.50 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Krupal Desai HUF | | 12.50 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Sonal Jayesh Dholakia | | 10.00 | 16% | 36 months | Quarterly | | |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| Non-convertible debentures | Girdhari Thakurdas Jaisinghani | | 350.00 | 16% | 36 months | Quarterly | Sakhribatle Morjim 403509, Goa, having restaurant, bar and kitchen, terrace and swimming pool. | |
| Non-convertible debentures | Ajay Kumar Gupta | | 50 | 16% | 36 months | Quarterly | | To meet the needs for the expansion of business operations while performing certain capital expenditure for sites of the Company |
| Non-convertible debentures | Chirag Manubhai Patel | | 10 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Seema Uday Saraiya | | 10 | 16% | 36 months | Quarterly | | |
| Non-convertible debentures | Soni Parthesh | | 20 | 16% | 36 months | Quarterly | | |
| Term loan ("TL") | Aditya Birla Finance limited | 1,015.00 | 877.61* | 12.50 % | 236 months | Monthly EMI | Primary Security: Hypothecation- Exclusive charge on current assets unencumbered moveable fixed assets of the Company, EHIPL and GHR Collateral Security: -Mortgage of Indira Nagar property -Personal guarantee from Ramesh Siva, Mrs. Vidya Ramesh and R Sambasivam | Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indiranagar |
| Letter of Credit | Aditya Birla Finance limited | 85.00 | 131.41* | 12.50 % | Yearly renewal | NA | | Day to day operations and working capital |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| Letter of Credit | Aditya Birla Finance limited | 60.00 | | 12.50 % | Yearly renewal | NA | | Short-Term working capital requirement |
| Term loan | Aditya Birla Finance limited | 200.00 | 192.84* | 11.30 % | 155 months | Monthly EMI | Primary /collateral security:<br><br>Current assets-hypothecation of debtor and stocks and property -first charge on Indira Nagar property<br><br>Personal guarantee from Ramesh Siva, Vidya Ramesh and Deepthi Shiva | Business Operations and working capital management of the Company |
| Term loan | Aditya Birla Finance limited | 250.00 | 240.95* | 11.30 % | 155 months | Monthly EMI | | |
| Term loan | Aditya Birla Finance limited | 76.07 | 78.23* | 12.50 % | 159 months | Monthly EMI | Primary Security: Hypothecation- Exclusive charge on current assets unencumbered moveable fixed assets of the Company, EHIPL and GHR<br><br>Collateral Security: -Mortgage of Indira Nagar property -Personal guarantee from | The original purpose of the loan having sanction amount Rs.1,015 Lakhs was Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Ramesh Siva, Mrs. Vidya Ramesh and R Sambasivam | Indira nagar of which the Covid period moratorium payment has been converted into new loan |
| Term loan | Hinduja Leyland Finance Limited | 1,100.00 | 1,034.35 | 12.50 % | 152 months | Monthly EMI | First exclusive charge over Mortgage by deposit of title deed of immovable property at site no 03, 3rd main road, K.R garden, Koramangala, Bengaluru 560095 | Refinancing of existing debt from SBI and addition of 1 leased property in manyata tech park |
| Term loan | Hinduja Leyland Finance Limited | 50.00 | 47.48 | 12.00 % | 144 months | Monthly EMI | First exclusive charge over Mortgage by deposit of title deed of immovable property at site no 03, 3rd main road, K.R garden, Koramangala, Bengaluru 560095 | Working Capital |
| Term loan | UC Inclusive Credit Private Limited | 500 | 401.45 | 17.00 % | 33 months including moratorium period of 3 months | Monthly EMI | Exclusive charge on fixed assets, Non-current assets (including intangible assets such as intellectual property, trademarks, | For business expansion & meeting working capital requirements |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | copyrights etc..) and current assets, present & future) pertaining to hotels- Manyata, Sunderaraj, Goa (Anjuna) and Devanahalli, to the extent of 120% of outstanding loan and personal guarantee from Ramesh Siva, and Mrs. Vidya Ramesh | |
| Vehicle loan | Daimler Financial Services India Private Limited | 40.00 | 18.75 | 9.00% | 84 months | Monthly EMI | Hypothecation of Vehicle | Vehicle purchase |
| Vehicle loan | BMW India Financial Services Pvt. Ltd. | 30.00 | 27.36 | 9.25% | 84 months | Monthly EMI | Hypothecation of Vehicle | Vehicle purchase |
| Term loan | UC Inclusive Credit Private Limited | 300.00 | 300.00 | 17.00 % | 33months including moratorium period of 3 months | Monthly EMI | Exclusive charge over fixed assets, Non-current assets (including intangible assets such as intellectual property, trademarks, copyrights etc..) and current assets, present & future) | For business expansion & meeting working capital requirements |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | pertaining to hotels run/managed/operated by Borrower's management to the extent of 120% (one hundred and twenty percent) of the outstanding loan amount. These hotels are identified as per the address mentioned below.<br>• Brookfield: Sy. No. 74/1, Opposite AECS Layout, ITPL Main Road, Thubarahalli - 560066<br>• Mahabalipuram: New S. No. 245/1A/1B, Venpursham Village, Mamallapuram, Veeralapakkam, Thiruporur, Chengalpattu, Tamil Nadu - 603110 personal guarantee from | |

| Category of borrowing | Name of the Lender/Investor | Sanctioned Amount (₹ in Lakhs) as on February 28, 2025 | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest p.a. | Tenure | Repayment Terms | Collateral / Asset Charged | Purpose for which the loan was sanctioned |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Ramesh Siva, and Mrs. Vidya Ramesh | |
| Overdraft | Bank of Baroda | 10.00 | -2.25 | 11.55 % | 12 months | NA | Primary Security: Hypothecation of Stock Valued Rs 30 Lakhs Collateral Security: Equitable mortgage of property mentioned below Third party guarantee | Working Capital |
| Term loan | Hinduja Leyland Finance Limited | 250.00 | 250.00 | 12.50 % | 120 months | Monthly EMI | First exclusive charge over Mortgage by deposit of title deed of immovable property at site no 03, 3rd main road, K.R garden, Koramangala, Bengaluru 560095 | For business expansion & meeting working capital requirements |
| Total | | **4,044.77** | **4,447.03** | | | | | |

** The outstanding balances of the loan includes TDS overdues and/or other overdues*.

**B. UNSECURED LOANS AS ON FEBRUARY 28, 2025**:

| Category of borrowing | Name of the Lender | Sanctioned Amount (₹ in lakhs) as on February 28, 2025 | Date of loan taken | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest | Tenure | Repayment Terms | Purpose |
|---|---|---|---|---|---|---|---|---|
| Inter Company Deposit | Ayesspea Holdings and Investment | 100.00 | 19-09-2024 and 23-09-2024 | 100.00 | 25% at the time of repayment | 6 months | NA | Financing for business needs |

| Category of borrowing | Name of the Lender | Sanctioned Amount (₹ in lakhs) as on February 28, 2025 | Date of loan taken | Outstanding amount (₹ in Lakhs) as on February 28, 2025 | Rate of Interest | Tenure | Repayment Terms | Purpose |
|---|---|---|---|---|---|---|---|---|
| | Private Limited | | | | | | | |

**Principal Terms and Conditions of the borrowings availed by the Company:**
The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by the Company:

a) **Tenor and interest rate:** The tenor of the term loans availed by the Company ranges from 3 years to 15 years (including a moratorium period ranging from one to two years). Further, the working capital facilities availed by the Company are repayable on demand, and typically have floating rates of interest. The rate of interest for the secured term loans ranges from 11.30 % p.a. to 17.00 % p.a. The vehicle loan taken by the Company, carries an interest rate of 9.00% to 9.25% which is repayable within 7 years.

The Company has also issued unlisted, secured, redeemable, unrated non-convertible debentures in two series in tranches and has entered into certain borrowing documentation including debenture trust deed, and in terms of such borrowing documentation, a specified coupon rate of 16% (plus withholding tax, as applicable) is to be paid per annum. The final redemption date of series-1 and series -2 non-convertible debentures are September 02, 2027 and November 05, 2027 respectively.

b) **Security:** The secured borrowings are typically secured by:
   (i) First exclusive charge or mortgage over the movable and immovable properties of the hotels of the Company;
   (ii) hypothecation charge over existing and future stock and receivables, current assets, movable and fixed assets of the hotels of the Company ;
   (iii) Escrow mechanism- collection routed through designated account; and
   (iv) The Promoters namely Mr. Ramesh Siva and Mrs. Vidya Ramesh have extended guarantees in relation to certain borrowings of the Company.

c) **Prepayment:** Certain borrowings availed by the Company have prepayment provisions which allow for prepayment of the outstanding loan amount at any given point in time, subject to terms and conditions stipulated under the loan documents. The prepayment penalty as per the terms of some of the loan agreements ranges from 1% to 4%.

d) **Penal Interest:** The terms of the facilities availed by the Company prescribe penalties for certain events, such as, inter alia, delay in the repayment of principal instalment, interest, charges or other monies due on the facility; non creation of security for the respective facility; failure to create security for the respective facility within a stipulated timeframe; etc. The penal interest typically ranges from 2% to 4% per annum. These penalties are typically payable over and above the rate of interest applicable to the facilities.

e) **Restrictive covenants:** The Company under the borrowing arrangements entered into by them respectively, require the relevant lender's prior written consent and/or are required to intimate the relevant lender, as applicable, for carrying out certain actions, including:
   (i) undertaking a change in ownership/ constitution/ shareholding pattern/ control/ management control of the Company, as applicable;
   (ii) effecting reduction/ change in shareholding of the Promoters in the Company;
   (iii) undertaking a significant change in the composition of the Board;
   (iv) effecting a change in directorship of the Promoters resulting in change in management control of the Promoters in the Company, including pledge of shares by Promoters which may potentially change management control;
   (v) formulation or entering into any scheme of amalgamation, reconstruction, demerger, merger, consolidation or compromise;
   (vi) incurring any material capital expenditure;
   (vii) undertaking a change in name or trade name of the Company;
   (viii) making any amendments to the Memorandum of Association and Articles of Association;
   (ix) undertaking guarantee obligation on behalf of any other borrower or third party;

(x) Concluding any fresh borrowing arrangement either secured or unsecured with any bank or financial institutions or otherwise;

(xi) undertaking any expansion or fresh project or acquire fixed assets; and

(xii) declare, make or pay any dividend, or other distribution.

f) **Events of default:** The borrowing arrangements typically contain certain standard events of default, including:

(i) non-payment or default in payment of any amounts due under the loan facilities;

(ii) failure to carry out and perform any of the obligations under the facility agreements or loan agreements;

(iii) breach of any covenants, conditions, undertakings, representations or warranties;

(iv) cross default under any arrangement for the facilities extended by any other lender;

(v) inability to pay debts, initiation of corporate actions or proceedings relating to winding up, dissolution, reorganization or appointment of liquidator, receivers or administrators or litigation causing material adverse effect to the lender;

(vi) Non-operation of any of the premises mentioned in the clause related to 'Security', for a continuous period of two (2) months;

(vii) Non-payment of statutory dues for two consecutive quarters

(viii) failure to create security, or security created is in jeopardy or ceases to have effect, or failure to avail inadequate insurance of properties and assets offered as security;

(ix) Termination and/or cessation of employment and/or directorship of Mr. Ramesh Siva and/or Mrs. Vidya Ramesh without the lender's prior approval;

(x) inclusion of any of the Directors in the wilful defaulters/ non-cooperative borrower list maintained by the RBI; and

(xi) cessation or threat to cease carrying on the business.

g) **Consequence of events of default:** Upon the occurrence of an event of default under the borrowing arrangements, the lenders are entitled to, among other things**:**

(i) appoint nominee directors on the Board of directors of the Company;

(ii) declare all amounts payable in respect of the borrowing as due and payable immediately;

(iii) accelerate repayment of loan;

(iv) may invoke personal guarantee given by the guarantors;

(v) levy an additional/ default interest;

(vi) enforce security interest, and enter upon or take possession of the properties on which security interest is created;

(vii) take any legal action for recovery of the outstanding amounts in accordance with the transaction documents and/ or applicable law; and

(viii) convert outstanding debt into equity share capital of the Company.

This is an indicative list and there may be additional terms that may require the consent of the relevant lenders, the breach of which may amount to an event of default under various borrowing arrangements entered into by the Company, and the same may lead to consequences other than those stated above.

**A. Material guarantees given by Promoters with respect to specified securities of the Company held by them:**

Except as stated below, the Promoters have not provided any material guarantees with respect to specified securities of the Company held by them.

| **Name of the Promoter** | **Amount of Guarantee as on February 28, 2025 (₹ in Lakhs)** | **Reason** | **Individual/entity in whose favour the guarantee has been provided.** | **Period** |
|---|---|---|---|---|
| - | - | - | - | - |

**B. Guarantees By The Promoters:**

| Name of the Promoter | Amount of the Guarantee as on February 28, 2025 (Rs. in Lakhs) | Reason | Individual/entity in whose favor the guarantee has been provided | Period | Security available | Consideration |
|---|---|---|---|---|---|---|
| Ramesh Siva & Mrs. Vidya Ramesh | 1,521.05 | Against Secured loans of the Company | Aditya Birla Finance limited | 15 years | Current assets and property | Term Loan |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 1,331.82 | Against Secured loans of the Company | Hinduja Leyland Finance Limited | 12 years | Property | Loan against property |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 701.45 | Against Secured loans of the Company | UC Inclusive Credit Private Limited | 3 years | Property | Term Loan |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 27.36 | Vehicle Loan | BMW India Financial Services Pvt. Ltd. | 7 years | Vehicle | - |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 18.75 | Vehicle Loan | Daimler Finance Services India Private Limited | 7 years | Vehicle | - |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 4.17 | Against Secured loans of the Company | Bank of Baroda | 5 years | Working Capital & Fixed Assets | Term Loan |
| Mr. Ramesh Siva & Mrs. Vidya Ramesh | 4.71 | Against Secured loans of the Company | Bank of Baroda | 4 years | Current assets i.e. stocks and book debts | Working capital |

## SECTION X: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*The details of outstanding litigations or proceedings relating to our Company, our Directors and our Promoter are described in this section in the manner as detailed below.*

Except as stated in this section and mentioned elsewhere in this Red Herring Prospectus, there are no (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) disciplinary action including penalty imposed by the SEBI or stock exchange against our Promoters in the last 5 Financial Years, including outstanding action, (iv) claims related to direct and indirect taxes in a consolidated manner, (v) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board, in each case involving our Company, Promoters, and Directors **("Relevant Parties")** (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 against our Company since its incorporation from the date of this Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed by or against our Company since its incorporation from the date of this Red Herring Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company since its incorporation from the date of this Red Herring Prospectus; (xi) matters involving our Company pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

For the purpose of (v) above, our Board in its meeting held on September 04, 2024 has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties, to be disclosed by our Company in this Red Herring Prospectus:

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties other than, (i) criminal proceedings, actions by regulatory authorities and statutory authorities, (ii) disciplinary actions including penalty imposed by SEBI or stock exchange against the Promoters in the last 5 Financial Years including outstanding action, and tax matters, would be considered 'material' if:

a) The monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of, (i) ₹ 4.08 lakhs (i.e. 1% (one per cent) of the profit after tax of our Company as per the Restated Consolidated Financial Statements of our Company for the preceding full Financial Year);
b) The outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no outstanding material dues to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

For this purpose, our Board, in its meeting held on September 04, 2024 considered and adopted a policy of materiality for identification of material outstanding dues to creditors. Further, in terms of this Materiality Policy, outstanding dues to any creditors of our Company having monetary value which exceeds 5% (Five per cent) of trade payables as per the last Restated Consolidated Financial Statements as of September 30, 2024 shall be considered as material dues **("Material Dues")**. For outstanding dues to any party which is a MSME, the disclosure will be based on information available with our Company regarding status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder, as has been relied upon by its Statutory Auditor. Details of outstanding dues to material creditors as required under the SEBI ICDR Regulations have been disclosed on our website at https://grandcontinenthotels.com/.

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

### I. Litigation involving our Company

| **A. Litigation against our Company** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities[1] | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |

| | |
|---|---|
| e) | Wilful Defaulter:<br>Our Company does not appear on the Wilful Defaulters' list as per the Reserve Bank of India circular on Wilful Defaulters'. |

| **B. Litigation filed by our Company** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities[1] | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |

*[1]The Regulatory or Statutory Authorities for the purpose of this Section include but are not limited to SEBI, RBI etc*

**II. Litigation involving Director/s of our Company**

| **A. Litigation against Director/s of our Company** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities[1] | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |
| e) | Wilful Defaulter:<br>None of our Directors appear on the Wilful Defaulters' list as per the Reserve Bank of India circular on Wilful Defaulters'. | |

*[1]The Regulatory or Statutory Authorities for the purpose of this Section include but are not limited to SEBI, RBI etc*

| **B. Litigations filed by our Director/s** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |

**III. Litigation involving our Promoter/s**

| **A. Litigation against our Promoter/s** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities[1] | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |
| e) | Disciplinary Action Including Penalty Imposed By SEBI/ Stock Exchange Against Our Promoters in the last 5 Financial Years including Outstanding Action | Nil |
| f) | Wilful Defaulter: None of our Promoters appear on the Wilful Defaulters' list as per the Reserve Bank of India circular on Wilful Defaulters'. | |

*[1]The Regulatory or Statutory Authorities for the purpose of this Section include but are not limited to SEBI, RBI etc*

| **B. Litigations filed by our Promoter/s** | | |
|---|---|---|
| **Sr. No.** | **Litigation Involving** | **No. of Proceedings** |
| a) | Criminal Proceedings | Nil |
| b) | Civil Proceedings | Nil |
| c) | Actions by Statutory/ Regulatory Authorities[1] | Nil |
| d) | Other Pending Litigations based on Materiality Policy | Nil |

*[1]The Regulatory or Statutory Authorities for the purpose of this Section include but are not limited to SEBI, RBI etc.*

**TAX PROCEEDINGS**

Except as disclosed below, as on date of this Red Herring Prospectus, there are no pending Tax Proceedings involving the Company.

(₹ in lakhs)

| Nature of case | Number of cases | Amount involved [(1)(2)] |
|---|---|---|
| ***Involving our Company*** | | |
| Direct Tax (Income Tax) | 13 | 8.14 |
| Indirect Tax | 2 | 10.76[#] |
| **Total** | **15** | **18.90** |
| ***Involving our Promoters*** | | |
| Direct Tax (Income Tax) | Nil | NA |
| Indirect Tax | Nil | NA |
| **Total** | **Nil** | **NA** |
| ***Involving our Directors (other than Promoters)*** | | |
| Direct Tax (Income Tax) | Nil | NA |
| Indirect Tax | Nil | NA |
| **Total** | **Nil** | **NA** |
| ***Involving our JV Partner Entities*** | | |
| Direct Tax (Income Tax) | 5 | 0.17 |
| Indirect Tax | Nil | NA |
| **Total** | **5** | **0.17** |

*(1) To the extent quantifiable*
*(2) Amount including interest and penalty*

[#]includes an order dated August 30, 2024, received by the Company for assessment year 2019- 2020 from Department of Commercial Taxes, Karnataka ("Department") with regards to mismatch in GSTR-1 statement and GSTR – 3B statement to the tune of ₹2.14 Lakhs each in CGST and SGST. Additionally, the Department of Commercial Taxes has levied an interest of ₹ 1.7 Lakhs each and penalty to the tune of ₹ 0.21 Lakhs each for amount due for CGST and SGST. The Company is in process to file a reply with the Department.

**IV. Litigation involving our Group Companies**

Except as disclosed below there are no litigation involving our Group Companies, as on date of this Red Herring Prospectus:

*(₹ in lakhs)*

| Nature of case | Number of cases | Amount involved [(1)(2)] |
|---|---|---|
| ***Involving our Group Company*** | | |
| Direct Tax (Income Tax) | 11 | 5.20 |
| Indirect Tax | Nil | NA |
| **Total** | **11** | **5.20** |

*(1) To the extent quantifiable*
*(2) Amount including interest and penalty*

There is no pending litigation involving our Group Companies which have been considered material in accordance with the Materiality Policy.

**V. Litigation involving our Subsidiaries**

As on date of this Red Herring Prospectus, the Company has no Subsidiaries.

**VI. Disclosures pertaining to wilful defaulters and fraudulent borrower:**

Neither our Company or the Promoters and nor our Directors are or have been classified as a wilful defaulter or as a fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

**Material Developments since the last Balance Sheet Date**

Except as mentioned under the section titled '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page 268 of this Red Herring Prospectus, in the opinion of our Board, there have not arisen any material developments, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our assets or our ability to pay material liabilities within the next 12 months.

**Outstanding Dues to Creditors of our Company**

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% (five) percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, i.e. ₹ 20.14 Lakhs, as of September 30, 2024 ("**Material Creditors**").

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on September 30, 2024 was ₹ 402.73 lakhs, on a consolidated basis and the details are as set forth below:

| Particulars | No. of Creditors | Amount (₹ in Lakh) |
|---|---|---|
| Dues to micro, small and medium enterprises (the "MSME") | 54 | 83.01 |
| Dues to Material Creditors | 1 | 28.49 |
| Dues to other creditors | 289 | 291.23 |
| **Total** | **344** | **402.73** |

The details pertaining to amounts due towards the material creditors are available on the website of our Company at https://grandcontinenthotels.com/

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, https://grandcontinenthotels.com/, would be doing so at their own risk.

## GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, consents, licenses, registrations and permits obtained by our Company and JV Partner Entities, for the purposes of undertaking their respective businesses and operations. Except as mentioned below no further material approvals are required to undertake the Offer. Additionally, unless otherwise stated herein, these approvals, consents, licenses, registrations and permits are valid as on the date of this Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For further details in connection with the applicable regulatory and legal framework, please refer to the section titled *'Key Industry Regulations and Policies'* beginning on page 188 of this Red Herring Prospectus.

Our Company has Registered Office and Corporate Office located at:

**Registered Office:** S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.

**Corporate Office:** Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India,

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

**Incorporation Details**

a) The certificate of incorporation dated November 11, 2011 issued by the Registrar of Companies, Chennai, Tamil Nadu in the name of "Grand Continent Hotels Private Limited".
b) Fresh certificate of incorporation dated August 30, 2024 issued by Registrar of Companies, Central Processing Centre consequent upon change of name on conversion to public limited company to "Grand Continent Hotels Limited".
c) The Corporate Identification Number of our Company is U55101TN2011PLC083100.

**Approvals for the Offer**

**1. Corporate Approvals**

- Our Board have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on November 06, 2024 authorized the Offer, subject to the approval of the shareholders and such other authorities as may be necessary.
- The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the EGM held on November 08, 2024 authorized the Offer.
- Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated November 21, 2024.
- Our Board approved this Red Herring Prospectus pursuant to its resolution dated March 13, 2025.

**2. In-Principle Approval from the Designated Stock Exchange**

In-principle approval dated February 28, 2025 from the NSE Emerge (SME Platform of NSE) for using the name of the exchange in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus for listing of the Equity Shares issued by our Company pursuant to the Offer.

**3. Agreements with NSDL and CDSL**

a) Our Company has entered into an agreement dated August 28, 2024 with the Central Depository Services (India) Limited and the Registrar and Share Transfer Agent, who in this case is, MUFG Intime India Private Limited *(Formerly Link Intime India Private Limited)* for the dematerialization of its shares.
b) Similarly, our Company has also entered into an agreement dated September 02, 2024 with the National Securities Depository Limited and the Registrar and Share Transfer Agent, who in this case is MUFG Intime India Private Limited *(Formerly Link Intime India Private Limited)* for the dematerialization of its shares.
c) Our Company's International Securities Identification Number is INE12E301017.

**Approvals/ Licenses related to our Business Activities**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

| Sr. No. | Description | Applicable Laws | Authority | Registration Number | Date of Issue/ Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1) | MSME - Udyam Registration | Micro, Small and Medium Enterprises Development Act, 2006 | Ministry of Small, Micro And Medium Enterprises | UDYAM-KR-03-0065733 | April 16, 2021 | One-time registration |
| 2) | MSME - Udyog Registration | Micro, Small and Medium Enterprises Development Act, 2006 | Ministry of Small, Micro And Medium Enterprises | KR03E0021734 | December 16, 2013 | One-time registration |
| 3) | Legal Entity Identifier | RBI Guidelines | Legal Entity Identifier India Limited | 894500S3LAR8BBXYT118 | April 30, 2024 | April 30, 2025 |

**Tax related Approvals/ Licenses/ Registrations**

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue | Validity |
|---|---|---|---|---|---|
| **1.** | Permanent Account Number | Income Tax Department, Government of India | AAECG4949H | November 11, 2011 | Valid until cancelled |
| **2.** | Tax Deduction Account Number | Income Tax Department, Government of India | BLRG17833E | November 19, 2024 | Valid until cancelled |

**Industrial and Labour Law related Approvals**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Employees Provident Fund Registration | Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | Employees' Provident Fund Organization | PYBOM0061651000 | April 25, 2015 | One-time registration |
| 2. | Registration Under Employees' State Insurance | Employee State Insurance Act, 1948 (E.S.I. Act, 1948) | Assistant Director Sub-Regional Office, Employees' State Insurance Corporation | 50000499330001102 | June 21, 2018 (Effective from June 01, 2018) | Valid until cancelled |
| 3. | Employees Provident Fund Registration* | Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | Employees' Provident Fund Organization | GRCDP2872353000 | March 09, 2023 | One-time registration |
| 4. | Employees Provident Fund Registration* | Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | Employees' Provident Fund Organization | PYBOM2858959000 | February 02, 2023 | One-time registration |

**In the name of the JV Partner Entities.*

**Property wise Business Licenses:**

**a) Hotel Regenta Inn - 4th block Koramangala**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | SO23148213641066488 | February 08, 2025 | March 31, 2026 |
| 2. | Registration Certificate under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act, 1961 | Labour Department (Government of Karnataka) | 21/151/CE/0032/2023 | January 21, 2023 | December 31, 2027 |
| 3. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | November 07, 2024 | One-time registration |
| 4. | Approval for Electrical Installation* | Central Electrical Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 | Deputy Chief Electrical Inspector, Electrical Inspectorate (Government of Karnataka) | ACEI/BS/DCEI/AEI (2)/TEC()/ F- S133/ 22-23 | February 17, 2023 | Valid until cancelled |
| 5. | Approval for Electrical Installation* | Central Electrical Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 | Deputy Chief Electrical Inspector, Electrical Inspectorate (Government of Karnataka) | ACEI/BS/DCEI/AEI (2)/TEC()/ F- 4939/ 22-23 | January 27, 2023 | Valid until cancelled |

**Licenses in the name of the Lessor. Please also refer Risk Factor No. 7- We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition*

**b) Hotel Grand Continent – Hosur**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Registration Certificate under Shops and Establishment Act | The Tamil Nadu Shops and Establishments Act, 1947 | Government of Tamil Nadu Labour Department | TNKNGAILHORCE-1-23-00042 | January 10, 2025 | December 31, 2025 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2. | GST Certificate | Central Goods and Services Tax, 2017 and Tamil Nadu Goods and Services Tax, 2017 | Government of India – GST Department and Government of Tamil Nadu– GST Department | 33AAECG4949H1ZJ | December 09, 2024 | Valid until cancelled |
| 3. | FSSAI License | Food Safety and Standards Act, 2006 | Government of Tamil Nadu – Department (Food Safety Wing) | 12424011000521 | October 02, 2024 | October 01, 2025 |
| 4. | Trade License | Hosur City Muncipal Corporation Act, 2008 | Hosur City Muncipal Corporation | 153/2024/01/011/ 0002866 | December 10, 2024 | March 31, 2025 |

**c) Hotel Grand Continent - Hebbal Manayata**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11224331000031 | January 03, 2025 | January 07, 2026 |
| 2. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | YE03006213591085297 | February 8, 2025 | March 31, 2026 |
| 3. | Registration Certificate Under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act. 1961 | Government of Karnataka Labour Department | 43/23/CE/0128/2023 | December 30, 2023 | December 31, 2027 |
| 4. | Lift Operating License* | Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015 | Chief Electrical Inspector to Government, Bengaluru | LRL 19341/ 2023-2024 | February 12, 2024 | February 12, 2034 |
| 5. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |

** License in the name of S Ananda Vinay K.S. and K.S. Madhu. Please also refer Risk Factor No. 7- We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition.*

**d) Hotel Regenta Inn - ORR Mahadevapura**

| Sr. No. | Description# | Applicable Laws | Issued by | Registration Number | Date of Certificate | Period of Validity |
|---|---|---|---|---|---|---|
| 1. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAYFG2559G1ZQ | November 29, 2022 | One-time registration |
| 2. | Registration Certificate under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act, 1961 | Labour Department | 15/85/CE/0092/2023 | March 27, 2023 | December 31, 2027 |
| 3. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11224333002725 | November 20, 2024 | November 20, 2025 |
| 4. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | MA25085213641012833 | February 08, 2025 | March 31, 2026 |

*# Licenses in the name of GCH-1*

**e) Hotel Golden Tulip - Tirupati**

| Sr. No. | Description# | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Andhra Pradesh) | 10123026000123 | March 22, 2024 | March 22, 2025 |
| 2. | Trade License | A.P. Municipal Corporation Act, 1994 | Commissioner & Director of Municipal Administration (Government of Andhra Pradesh) | TL/16889/2023 | February 19, 2025 | March 31, 2026 |
| 3. | Registration Certificate under Shops and Establishment | Andhra Pradesh Shops and Establishment Act, 1988 | Government of Andhra Pradesh Labour Department | AP-23-26-001-03042694 | December 01, 2022 | March 31, 2026 |
| 4. | GST Certificate | Central Goods and Services Tax, 2017 and the Andhra Pradesh Goods and Services Tax, 2017 | GST Department (Government of India and Government of Andhra Pradesh) | 37AAYFG6888N1ZY | December 18, 2022 (with effect from December 01, 2022) | One-time registration |

*# Licenses in the name of GSHH.*

**f) Hotel Grand Continent – Secunderabad**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act 2006 | Government of Telangana - Food Safety and Standards Authority of India | 13624014000398 | May 15, 2024 | May 14, 2025 |
| 2. | Trade License (Provisional Certificate) | Greater Hyderabad Municipal Corporation Act, 1955 | Greater Hyderabad Municipal Corporation | 0235-051-0008 | February 05, 2024 | December 31, 2025 |
| 3. | Registration Certificate under Telangana Shops and Establishment Act, 1988 | Telangana Shops and Establishment Act, 1988 | Government of Telangana Labour Department | SEA/HYD/ACL/A3/ 0774564/2024 | January 08, 2024 | Valid until cancelled |
| 4. | GST Certificate | Central Goods and Services Tax, 2017 and the Telangana Goods and Services Tax, 2017 | GST Department (Government of India and Government of Telangana) | 36AAECG4949H1ZD | January 24, 2025 | One-time registration |
| 5. | Professional Tax Registration Certificate – Employee and Employer | Telangana Tax of Profession Trade, Calling and Employment Act, 1987 | Government of Telangana (Commercial Taxes Department) | 36938824501 | January 05, 2024 | One-time registration |

**g) Hotel Grand Continent - Anjuna**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License* | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Goa) | 20624001000001 | January 03, 2024 | January 02, 2029 |
| 2. | GST Certificate | Central Goods and Services Tax, 2017 and the Goa Goods and Services Tax, 2017 | GST Department (Government of India and Government of Goa) | 30AAECG4949H1ZP | November 20, 2024 | One-time registration |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3. | Tourism Certificate* | Goa Registration of Tourist Trade Act, 1982 | Department of Tourism (Government of Goa) | HOTN006722 | May 15, 2024 | March 31, 2027 |
| 4. | No Objection Certificate | The Goa, Daman and Diu Public Health Act, 1985 s | Government of Goa (Directorate of Health Services, Goa) | VP-ANJ-CAI/2023-24/4401 | January 12, 2024 | Valid until cancelled |
| 5. | VAT Registration | Goa Value Added Tax Act, 2005 | Department of Commercial Taxes (Government of Goa) | 30230314537 | March 07, 2024 | One-time registration |

**Licenses in the name of original landlord. Please also refer Risk Factor No. 7- We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition.*

**h) Hotel Tulip Inn - Ejipura Koramangala**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Period of Validity |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11221333002499 | November 18, 2024 | November 29, 2025 |
| 2. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | SO2314821359944683 | February 08, 2025 | March 31, 2026 |
| 3. | Registration Certificate Under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act. 1961 | Government of Karnataka Labour Department | 21/148/CE/0045/2022 | June 09, 2022 | December 31, 2026 |
| 4. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |

**i) Hotel Grand Continent - Malleswaram**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11224331001194 | July 16, 2024 | July 15, 2025 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | WE1507721364608149 | February 08, 2025 | March 31, 2026 |
| 3. | Registration Certificate under Shops and Establishment Act | Karnataka Shops and Commercial Establishments Act. 1961 | Labour Department | 47/65/CE/0043/2017 | April 07, 2017 | December 31, 2026 |
| 4. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |

**j) Hotel Regenta Inn - Indiranagar**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | EA1208021364757004 | February 08, 2025 | March 31, 2026 |
| 2. | Registration Certificate under Shops and Establishment | Karnataka Shops and Commercial Establishments Act. 1961 | Government of Karnataka Labour Department | 19/80/CE/0117/2019 | September 10, 2024 | December 31, 2028 |
| 3. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |
| 4. | Lift License | Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015 | Chief Electrical of Government and of Lifts, Escalators and Passenger Conveyors | CEIG/2024 MLS/ 33497 – 501/ 19-20 | November 13, 2019 | November 12, 2029 |
| 5. | FSSAI License | Food safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11225333000129 | January 18, 2025 | January 17, 2026 |

**k) Hotel Regenta Inn Grand - 8th Block Koramangala**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| 1. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | SO2315121359839624 | February 08, 2025 | March 31, 2026 |
| 2. | Registration Certificate under Shops and Establishment | Karnataka Shops and Commercial Establishments Act. 1961 | Government of Karnataka Labour Department | 21/151/CE/0453/2024 | August 29, 2024 | December 31, 2028 |
| 3. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |
| 4. | Approval for Electrical Installation (DG Set) | Central Electrical Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 | Deputy Chief Electrical Inspector, Electrical Inspectorate (Government of Karnataka) | EI/BS/DEI-S2/ AEI-4/ DG/HT/DRY/4135/ 20-21 | January 25, 2021 | Valid until cancelled |
| 5. | Approval for Electrical Installation (DG Set) | Central Electrical Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 | Deputy Chief Electrical Inspector, Electrical Inspectorate (Government of Karnataka) | EI/BS/DEI-S2/ AEI-4/ DG/4231/ 20-21 | January 30, 2021 | Valid until cancelled |
| 6. | FSSAI License | Food safety and Standards Act,2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11224334002019 | October 16, 2024 | October 15, 2025 |

**l) Hotel Grand Continent - Bannerghatta Road**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | SO2317621362689419 | February 08, 2025 | March 31, 2026 |
| 2. | Registration Certificate under Shops and | Karnataka Shops and Commercial Establishments Act. 1961 | Government of Karnataka Labour Department | 35/176/CE/0120/2016 | February 15, 2021 | December 31, 2025 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Establishment Act | | | | | |
| 3. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |

**m) Hotel Grand Continent - Morjim**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Tourism Certificate* | Goa Registration of Tourist Trade Act, 1982 | Department of Tourism (Government of Goa) | HOTN007139 | July 10, 2024 | March 31, 2025 |
| 2. | GST Certificate | Central Goods and Services Tax, 2017 and the Goa Goods and Services Tax, 2017 | GST Department (Government of India and Government of Goa) | 30AAECG4949H1ZP | November 20, 2024 | One-time registration |
| 3. | FSSAI License* | Food safety and Standards Act,2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 20624005000287 | December 06, 2024 | December 05, 2025 |

**Licenses in the name of Mr. Ashutosh Satish Shetgaonkar. Please also refer Risk Factor No. 7- We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition*.

**n) Hotel Grand Continent - Mysore**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | Karnataka Municipal Corporation Act, 1976 | Karnataka Municipal Corporation | 31387 | July 23, 2024 | March 31, 2025 |
| 2. | Registration Certificate under Shops and Establishment Act, 2017 | Shops and Establishment Act, 2017 | Government of Karnataka Labour Department | MY2/2/CE/0284/2024 | July 13, 2024 | December 31, 2028 |
| 3. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |
| 4. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India | 11224335000555 | October 04, 2024 | October 03, 2025 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | (Government of Karnataka) | | | |

**o) Hotel Grand Continent - Devanhalli**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | 29AAECG4949H2Z7 | December 09, 2024 | One-time registration |
| 2. | Approval for Electrical Installation* | Central Electrical Authority (Measures relating to Safety and Electric Supply) Regulation, 2010 | Deputy Chief Electrical Inspector, Electrical Inspectorate (Government of Karnataka) | ACEI/BN/DCEI/DGC/7706-09/2016-17 | December 09, 2016 | Valid until cancelled |
| 3. | Consent for discharge of effluents and air emission* | Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 | Karnataka State Pollution Control Board | AW-110772 | July 30, 2019 [Effective from July 24, 2019] | December 31, 2034 |
| 4. | Lift Operating License* | Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015 | Chief Electrical Inspector to Government, Bengaluru | CEIG/2219 MLS/36071-75 | December 31, 2016 | December 30, 2026 |
| 5. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 11224302002157 | October 16, 2024 | October 15, 2025 |
| 6. | Registration Certificate under Shops and Establishment Act, 2017 | Shops and Establishment Act, 2017 | Government of Karnataka Labour Department | 44/DOD/CE/0005/2024 | November 16, 2024 | December 31, 2028 |
| 7. | Trade License | Karnataka Municipal Corporation Act, 1976 | Karnataka Municipal Corporation | 30-06/2024-2025 | August 05, 2024 | March 31, 2025 |

**In the name of the Lessor. Please also refer Risk Factor No. 7- We are subject to extensive government regulation with respect to safety, health, environment, real estate, food, excise, property tax and labor laws. Any non-compliance with or changes in regulations applicable to us or failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business may adversely affect our business, results of operations, cash flows and financial condition.*

**p) Hotel Grand Continent – Brookfield**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | The Bruhat Bengaluru Mahanagara Palike Act, 2020 | Bruhat Bengaluru Mahanagara Palike Health Department | MA250851052 41159707 | February 08, 2025 | March 31, 2026 |
| 2. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Karnataka) | 1122433300284 1 | December 03, 2024 | December 02, 2025 |

**Licenses for which application is made:**

| Sr.no | Description | Applicable Law | Authority | Application Number | Application date |
|---|---|---|---|---|---|
| 1. | Shops and Commercial Establishment License | Karnataka Shops and Commercial Establishment Act,1961 | Senior Labour Inspector | 928993 | December 03, 2024 |
| 2. | GST Certificate | Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax, 2017 | GST Department (Government of India and Government of Karnataka) | AA290325025004N | March 03, 2025 |

**q) Hotel Grand Continent – Mahabalipuram**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Tamil Nadu) | 1242500800002 7 | January 04, 2025 | January 03, 2026 |
| 2. | Boarding & Lodging License | Tamil Nadu District Municipalities Act, 1920 | Mamallapuram Muncipality | 283/2024-2025 | December 12, 2024 | March 31, 2025 |
| 3. | Trade License | Tamil Nadu District Municipalities Act, 1920 | Mamallapuram Muncipality | 2024-2025/2000457/4/295* | December 10, 2024 | September 30, 2025 |

**Inserted from the payment receipt*

**r) Hotel Grand Continent – Gachibowli**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | Telangana Municipalities Act, 1965 | Labour Department (Government Of Telangana) | SEA/RAN/ACL/RR/1018516/2025 | January 08, 2025 | Valid until cancelled |

**s) Hotel Grand Continent – Hi-Tech**

| Sr. No. | Description | Applicable Laws | Issued by | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|---|
| 1. | Trade License | Hyderabad Municipalities Act, 1955 | Greater Hyderabad Municipalities Corporation | SEA/RAN/ACL/RR/1063205/2025 | March 10, 2025 | Valid until cancelled |

**Licenses for which application is made:**

| Sr.no | Description | Applicable Law | Authority | Application Number | Application date |
|---|---|---|---|---|---|
| 1. | FSSAI License | Food Safety and Standards Act, 2006 | Food Safety and Standards Authority of India (Government of Telangana) | 20250309107079053 | March 09, 2025 |

**Intellectual Property related Approvals/Registrations**

Our Company has filed applications under class 43 for registration of our current corporate logo with the Trade Marks Registry, Government of India under the Trademarks Act, 1999. The details of the same are as follows:

| Sr. No. | Trademark | Wordmark/ Label | Applicant | Trademark/ Application Number | Issuing Authority | Application Date | Class of Trademark | Status | Period of Validity |
|---|---|---|---|---|---|---|---|---|---|
| 1. | GRAND CONTINENT HOTELS | Word Mark | Grand Continent Hotels Private Limited | 5817036 | Controller General of Patents, Design & Trademark | February 21, 2023 | 43 | Registered | February 21, 2033 |
| 2. | | Device | Grand Continent Hotels Private Limited | 6476055 | Controller General of Patents, Design & Trademark | June 12, 2024 | 43 | Formalities Check Pass | - |

**Pending Approvals**

Pursuant to conversion of our Company from a private limited company to a public limited company in the year 2024, our Company has made applications for change of name for all the above-mentioned approvals.

**Domain Name**

| Sr. No. | Domain Name and ID | Sponsoring Registrar and IANA ID | Registrant Name and Organization | Creation Date | Registry Expiry Date |
|---|---|---|---|---|---|
| 1 | https://grandcontinenthotels.com/ | Registrar: PDR Ltd.<br><br>Registrar IANA ID: 303 | Registran Name: Kannan V<br><br>Registrant Organization: | November 17, 2011 | November 17, 2025 |

**Material licenses/ approvals for which the Company is yet to apply**

Except as disclosed below, there are no material licenses/ approvals for operational properties mentioned below for which the Company is yet to apply as on the date of this Red Herring Prospectus:

| Name of the location of hotel | Description | Applicable Laws |
|---|---|---|
| Hotel Grand Continent – Mahabalipuram | GST Certificate | Central Goods and Services Tax, 2017 and Tamil Nadu Goods and Services Tax, 2017 |
| Hotel Grand Continent – Gachibowli | GST Certificate | Central Goods and Services Tax, 2017 and Telangana Goods and Services Tax, 2017 |
| Hotel Grand Continent – Gachibowli | Registration Certificate under Shops and Establishment Act | Telangana Shops and Establishments Act, 1988 |
| Hotel Grand Continent – Gachibowli | FSSAI License | Food Safety and Standards Authority of India (Government of Telangana) |
| Hotel Grand Continent – Hi-Tech | GST Certificate | Central Goods and Services Tax, 2017 and Telangana Goods and Services Tax, 2017 |
| Hotel Grand Continent – Hi-Tech | Registration Certificate under Shops and Establishment Act | Telangana Shops and Establishments Act, 1988 |

**Material Information in relation to our Material Subsidiary**

The Company does not have any Subsidiary.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Offer**

***Corporate Approvals***

The Offer, including the Fresh Issue of up to has been authorized by our Board pursuant to the resolution passed at its meeting dated November 06, 2024 and by the shareholders pursuant to the special resolution passed in its EGM dated November 08, 2024 under Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consents of the Promoter Selling Shareholder to participate in the Offer for Sale pursuant to the resolution dated November 14, 2024. The Draft Red Herring Prospectus has been approved by the Board of Directors of the Company pursuant to a resolution passed on November 21, 2024. This Red Herring Prospectus has been approved by the Board of Directors of the Company pursuant to a resolution passed on March 13, 2025.

***Consent from the Promoter Selling Shareholder***

The Promoter Selling Shareholder have specifically authorized the inclusion of their respective portion of the Offered Shares as part of the Offer for Sale, as follows:

| ***Name of the Promoter Selling Shareholder*** | ***Aggregate number of Equity Shares being offered in the Offer for Sale*** | ***Date of Consent Letter*** |
|---|---|---|
| Mr. Ramesh Siva | Upto 3,28,800 | November 11, 2024 |

The Promoter Selling Shareholder confirm that their respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the provisions of SEBI ICDR Regulations, to the extent applicable to it as on the date of this Red Herring Prospectus.

***In-principle Approval***

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Red Herring Prospectus/ Prospectus pursuant to an approval letter dated February 28, 2025 is the Designated Stock Exchange.

**Prohibition by SEBI or Other Governmental Authorities**

We confirm that our Company, Directors, Promoter, Promoter Group, Promoter Selling Shareholder, persons in control of our Company are not prohibited from accessing or operating in the capital markets for any reason or restrained 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 as on the date of this Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchange in India.

Neither of our Promoters, Promoter Group, Promoter Selling Shareholder, Directors, or the person(s) in control of our Company, have ever been part of Promoters, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the under section titled *"Outstanding Litigations and Material Developments"* beginning on page 300 of this Red Herring Prospectus.

**Compliance with the Companies (Significant Beneficial Owners) Rules, 2018**

Our Company, our Promoters, members of our Promoter Group and the Promoter Selling Shareholder are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Red Herring Prospectus.

**Prohibition by RBI**

Neither our Company nor any of our Promoters, Promoter Selling Shareholder, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive

economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled '*Outstanding Litigations and Material Developments*' beginning on page 300 of this Red Herring Prospectus.

**Prohibition with respect to wilful defaulters or a fraudulent borrower**

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations.

**Directors associated with securities market**

None of our Directors are associated with the securities market in any manner and no action has been initiated by the SEBI against any of our Directors or any other entity with which our Directors are associated as promoters or directors in the past five years immediately preceding the date of this Red Herring Prospectus.

**Eligibility for the Offer**

- Our Company is eligible in terms of Regulations 228 of SEBI ICDR Regulations, for this Offer.

  i) Neither our Company, nor any of its Promoters, Promoter Group or Directors or Promoter Selling Shareholder are debarred from accessing the capital market by the SEBI.
  ii) Neither our Promoters nor any of our Directors or persons in control of our Company is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities as on the date of this Red Herring Prospectus.
  iii) None of our Promoters or Directors is declared as Fugitive Economic Offender under Fugitive Economic Offenders Act, 2018.
  iv) Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter nor our Directors, is a willful defaulter or a fraudulent borrower.

- Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Offer.

- Our Company is an "Unlisted Company" in terms of the SEBI ICDR Regulations; and this Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

- Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI ICDR Regulations, as our post offer paid up capital will be more than ₹ 1000 Lakhs and upto ₹ 2500 Lakhs and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the " **NSE Emerge**").

  **We confirm that:**

  i) In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer will be 100% underwritten and shall not restrict to the minimum subscription level. The Book Running Lead Manager to the Offer shall underwrite minimum 15% of the total Offer Size. For further details pertaining to said underwriting please refer to section titled ***'****General Information'* beginning on page 87 of this Red Herring Prospectus.

  ii) In accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to 50, otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 2 (two) 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 2 (two) Working Days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, and Regulation 269 of SEBI ICDR Regulations.

  iii) In terms of Regulation 246(5) of the SEBI ICDR Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue any observation on the Red Herring Prospectus/ Prospectus.

  *iv)* In accordance with Regulation 261 of the SEBI ICDR Regulations, we hereby confirm that, we have entered into an agreement with the Book Running Lead Manager 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 Emerge Platform of NSE. For further details of the arrangement of market making please refer to section titled *'General Information'* beginning on page 87 of this Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an offer under Chapter IX of SEBI ICDR Regulations as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depositary Services Limited (CDSL) dated August 28, 2024 and National Securities Depository Limited dated September 02, 2024 for establishing connectivity.

2. Our Company has a website i.e. https://grandcontinenthotels.com/

**We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge of the NSE:**

1) Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Grand Continent Hotels Private Limited" pursuant to certificate of incorporation dated November 11, 2011 issued by the RoC, Chennai, Tamil Nadu. Subsequently, our Company was converted into public limited company pursuant special resolution passed by the shareholders at the EGM held on May 27, 2024, and consequently, the name of our Company was changed to "Grand Continent Hotels Limited" and a fresh certificate of incorporation consequent upon conversion from private company to public company was issued by RoC, Chennai, Tamil Nadu on August 30, 2024 bearing CIN U55101TN2011PLC083100.

2) As on the date of this Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 1865.90 Lakhs and the Post Offer Capital will be of upto ₹ [●] Lakhs which is less than ₹ 2500 Lakhs.

3) Our Company confirms that it has track record of more than 3 years.

4) The company/ entity has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive. The details of the Net Worth and Operating Profit as per the Restated Consolidated Financial Statements of the Company are as detailed below

*(₹ in Lakhs)*

| **Particulars** | **As at and for the six-months period ended September 30, 2024** | **As at and for the Financial Year ended** | | |
|---|---|---|---|---|
| | | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| Operating profit (earnings before interest, depreciation, and tax) from operations | 1,124.60 | 986.48 | 625.31 | 238.43 |
| Net worth (excluding minority interest) | 4,018.11 | 2,999.33 | 58.73 | (163.21) |

*Pursuant to the certificate dated March 13, 2025, issued by M/s. Bhuta Shah and Co LLP, Chartered Accountants*

5) Our Company has positive Free cash flow to Equity (FCFE) in 2 out of 3 preceding financial years (as calculated below) in accordance with NSE Circular having reference no. 03/2024 dated August 22, 2024.

*(₹ in Lakhs)*

| **Particulars** | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|---|
| Cash flow from Operations* | 721.77 | 757.95 | 72.77 |
| (-) Purchase of Fixed Assets$ | 942.01 | 472.49 | 73.15 |
| (+) Net Borrowings# | (210.32) | 234.25 | 335.29 |
| (-) Interest x (1-T)^ | 262.78 | 194.59 | 147.24 |
| **Free cash flow to Equity** | **(693.34)** | **325.12** | **187.67** |

*Pursuant to the certificate dated March 13, 2025, issued by M/s. Bhuta Shah and Co LLP, Chartered Accountants.*

* Cash Generated from Operating Activities – Income Tax paid i.e. Net Cash flow from Operating Activities
$ Purchase of Property, plant, and equipment (PPE) (including Capital Work in Progress (CWIP)) – Sale proceeds of PPE, CWIP + Capital Advances
# Proceeds from Long-Term Borrowings - Repayments of Long-Term Borrowings + Proceeds from Short-Term Borrowings - Repayments of Short-term Borrowings
^ Interest Expense on Total (ie. Long term as well as short term) borrowings x (1 – T^^)
^^ T being Effective Tax Rate for the company: Effective Tax Rate calculated as [1-(PAT/PBT)]

6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past 1 (one) year in respect of Promoters, Group Companies, companies Promoted by the Promoters of the Company;

7) Our Company has not been referred to Board for Industrial and Financial Reconstruction or no proceedings have been admitted under Insolvency and Bankruptcy Code against.

8) There is no winding up petition against our Company, which has been admitted by a court of competent jurisdiction or liquidator has not been appointed.

9) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three (3) years against our Company.

10) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five (5) years.

11) We further confirm that we comply with all the above requirements/ conditions so as to be eligible to be listed on the NSE Emerge of the NSE.

**Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"/ "BOARD") 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS / PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, INDORIENT FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, ("SEBI ICDR REGULATIONS") IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS/ PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, INDORIENT FINANCIAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE. THE BOOK RUNNING LEAD MANAGER, INDORIENT FINANCIAL SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 21, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS ; WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE OFFER IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE 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 PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH**

**THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE-MENTIONED FORTHCOMING OFFER STATE AND CONFIRM AS FOLLOWS:**

1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS/ PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION, THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   A. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE STOCK EXCHANGE/ BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE OFFER;**
   B. **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
   C. **THE MATERIAL DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SEBI ICDR REGULTIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3) **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE, SUCH REGISTRATION IS VALID.**

4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENTS**

5) **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6) **WE CERTIFY THAT REGULATION 237 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7) **WE UNDERTAKE THAT SUB-REGULATION (2) OF REGULATION 236 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH.**

8) **WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A**

**SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER.**

**9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION**

**10) WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION COMPLIED TO THE EXTENT APPLICABLE.**

**11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.**

**12) WE CERTIFY THAT ALL THE SHARES ISSUED IN DEMATERIALIZED FORM IS IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

- **A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
- **B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

**13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**14) WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER , SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE AND THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS ENTERED BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.**

**15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY**

**16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)' AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015 -DETAILS ARE ENCLOSED IN "ANNEXURE A".**

**17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS- TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE:**

1. **WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE OFFER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER WILL BE BEEN GIVEN.**

*3.* **WE CONFIRM THAT THE DRAFT RED HERRING PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

4. **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER .**

5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISION TO SUB-REGULATION (2) OF REGULATION 236 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE.**

7. **WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PERCENT OF THE COMPLIANCE RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEEDING THE MONTH OF THE FILLING OF THE DRAFT RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES - *NOT APPLICABLE*.**

***Note:***

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS, THIS RED HERRING PROSPECTUS AND THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS/ PROSPECTUS.**

*All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the Registrar of Companies, Chennai, Tamil Nadu in terms of Section 26, Section 32 and Section 33 of the Companies Act, 2013.*

**DISCLAIMER CLAUSE OF THE PROMOTER SELLING SHAREHOLDER**

**THE PROMOTER SELLING SHAREHOLDER WILL BE RESPONSIBLE FOR THE RESPECTIVE STATEMENTS CONFIRMED OR UNDERTAKEN BY IT IN THIS RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES**

All legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

**Disclaimer Statement from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus/ Prospectus, or in case of the Company, in any advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website https://grandcontinenthotels.com/ would be doing so at his or her own risk.

**Caution**

The Book Running Lead Manager to the Offer accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered between the Book Running Lead Manager to the Offer and our Company on November 09, 2024 and the Underwriting Agreement dated November 09, 2024 entered into between the Underwriter, our Company and the Market Making Agreement dated November 09, 2024 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the Offer 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 collection centers or elsewhere.

The Book Running Lead Manager to the Offer and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective directors, 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 in the Offer.

**Statement on price information of past issues handled by Indorient Financial Services Limited:**

| *Sr. No.* | *Issue Name* | *Board* | *Issue Size (₹ in crores)* | *Issue Price (in ₹)* | *Listing Date* | *Opening price on listing date (in ₹)* | *+/- % change in closing price, [+/- % change in closing benchmark]* | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | *30th calendar days from listing* | *90th calendar days from listing* | *180th calendar days from listing* |
| 1 | Secmark Consultancy Limited | SME* | 15.04 | 135 | October 1, 2020 | 134 | -53.52 [2.37] | -61.26 [23.04] | -57.63 [26.65] |
| 2 | eMudhra Limited | Main | 412.79 | 256 | June 1, 2022 | 271 | -1.52 [-4.27] | 40.66 [4.68] | 22.13 [12.48] |
| 3 | Techknowgreen Solutions Limited | SME | 16.71 | 86 | September 27, 2023 | 87 | 99.01 [-4.49] | 232.97 [7.54] | 119.77 [10.15] |
| 4 | New Jaisa Technologies Limited | SME | 39.93 | 47 | October 5, 2023 | 71 | 186.17 [-1.61] | 194.79 [10.85] | 107.02 [14.92] |
| 5 | Canarys Automation Limited | SME | 47.03 | 31 | October 11, 2023 | 43.45 | 37.26 [-2.10] | 38.23 [8.59] | 5.81 [13.64] |
| 6 | Plada Infotech Services Limited | SME | 12.35 | 48 | October 13, 2023 | 59 | -10.52 [-1.65] | -10.21 [9.46] | -39.48 [14.64] |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 7 | Chatha Foods Limited | SME | 33.39 | 56 | March 27, 2024 | 73 | 73.21 [1.84] | 76.89 [5.95] | 109.82 [15.82] |
| 8 | Yash Highvoltage Limited | SME | 110.01 | 146 | December 19, 2024 | 277.4 | 75.75 [-3.28%] | NA | NA |
| 9 | EMA Partners India Limited | SME | 76.01 | 124 | January 24, 2025 | 156.5 | 0.36 [-1.28%] | NA | NA |

*Source:* www.bseindia.com *and* www.nseindia.com

** migrated to main board*

**Summary Statement of Disclosure**

| Financial Year | Total No. of IPOs | Total Amount of Fund Raised in Crores | No. of IPOs trading at discount-30th Calendar days from listing | | | No. of IPOs trading at premium-30 days from the listing | | | No. of IPOs trading at discount-180 days from the listing | | | No. of IPOs trading at Premium-180 days from the listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25% to 50% | Less than 25% | Over 50% | Between 25% to 50% | Less than 25% | Over 50% | Between 25% to 50% | Less than 25% | Over 50% | Between 25 % to 50 % | Less than 25 % |
| **2020 - 2021** | 1 [SME]* | 15.04 | 1 | - | - | - | - | - | 1 | - | - | - | - | - |
| **2022 – 2023** | 1 [Main] | 412.79 | - | - | 1 | - | - | - | - | - | - | - | - | 1 |
| **2023 – 2024** | 5 [SME] | 149.41 | - | - | 1 | 3 | 1 | - | - | 1 | - | 3 | - | 1 |
| **2024-2025** | 2 [SME] | 186.02 | - | - | - | 1 | - | 1 | - | - | - | - | - | - |

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**Track Record of past issues handled by Indorient Financial Services Limited:**

For details regarding track record of Book Running Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: https://www.indorient.in/

**Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act,1872 including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2500 Lakhs and pension funds with a minimum corpus of ₹2500 Lakhs, and permitted Non-Residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Chennai, Tamil Nadu, only. 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 the Draft Red Herring Prospectus has been filed with NSE Emerge for its observations and NSE will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall,

under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

**Disclaimer Clause of the NSE Emerge of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4882 dated February 28, 2025, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended **("Securities Act")** or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (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 will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers 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 offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing of Offer Documents with the Designated Stock Exchange/SEBI/ROC**

The Red Herring Prospectus was filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at http://www.mca.gov.in

and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in.

**Listing**

The Equity Shares of our Company are proposed to be listed on NSE Emerge platform. Our Company has obtained in-principle approval from NSE by way of its letter dated February 28, 2025 for listing of equity shares on NSE (NSE Emerge platform).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in the Equity Shares on the NSE Emerge is not granted by NSE, our Company will forthwith repay, without interest, all monies received from the Applicants in pursuance of this Red Herring Prospectus and the Promoter Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company, the Promoters and every officer in default shall be liable to repay the money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge of NSE mentioned above are taken within 3 (Three) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within 2 (Two) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

**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-*

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *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*
- *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 to action under section 447 of the Companies, Act 2013.*

**Consents**

Consents in writing of (a) Our Directors, Promoters, the Promoter Selling Shareholder, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Key Managerial Personnel, Banker to the Company; (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Offer, Public Offer Banker, Legal Counsel to the Offer, Sponsor Bank and Monitoring Agency to act in their respective capacities have been obtained and shall be filed along with a copy of the prospectus with RoC, as required as required under section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with the ROC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s. Bhuta Shah & Co LLP., Chartered Accountants, Statutory Auditors holding peer reviewed certificate, have agreed to provide their written consent to the inclusion of their respective reports on "Statement of Special Tax Benefits*"* relating to the possible tax benefits and Restated Consolidated Financial Statements as included in this Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

**Expert to the Offer**

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

1. Our Company has received written consent dated November 19, 2024 from the Statutory Auditors namely, M/s. Bhuta Shah & Co LLP., Chartered Accountant to include their name as an "expert" as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations and as defined under Section 2 (38) of the Companies Act,

2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements, dated November 14, 2024 and March 12, 2025 and the Statement of Special Tax Benefits dated November 19, 2024, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

2. Our Company has received a written consent dated November 06, 2024 from Adroit Associates acting through its proprietor Mr. Srinivas T. Ramappa, Independent Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and an "expert", as defined under Section 2(38) of the Companies Act 2013 in respect of cost assessment report issued by them in their capacity as an Independent Chartered Engineer and details derived therefrom as included in this Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**Underwriting Commission and Brokerage**

The underwriting commission and the selling commission for the Offer are as set out in the Underwriting Agreement amongst the Company and Underwriter. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Offer Price and the amount underwritten in the manner mentioned in accordance with Section 40 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013.

**Previous Rights and Public Issues since the Last 5 Years**

Except as stated in the section titled '*Capital Structure'* beginning on page 100 of this Red Herring Prospectus, we have not made any rights and public issues in the past, and we are an "Unlisted Company" in terms of the SEBI ICDR Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

**Previous Issues of Shares otherwise than for Cash**

Except as stated in the section titled '*Capital Structure'* beginning on page 100 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

**Underwriting Commission, Brokerage and Selling Commission on Previous Issues**

Since this is the Initial Public Offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Capital issue during the previous three years by our Company and listed subsidiaries during the last three Years**

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure – Share Capital history of our Company"* on page 100 of this Red Herring Prospectus , our Company has not undertaken a capital issue in the last three years preceding the date of this Red Herring Prospectus. Further, as on the date of this Red Herring Prospectus, we have no subsidiaries.

**Promise Versus Performance for our Company**

Our Company is an "Unlisted Company" in terms of the SEBI ICDR Regulations, and this Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

**Performance Vis-A-Vis Objects – Public/ Right Issue of our Company and / or Listed Subsidiary and Joint Venture / Associates of our Company**

Except as stated under section titled '*Capital Structure'* beginning on page 100 of this Red Herring Prospectus our Company has not undertaken any previous public or rights issue. Our Company does not have any subsidiaries. None of our Joint Venture / Associates of our Company are listed on any stock exchange.

**Performance Vis-A-Vis Objects - Last Issue of Listed Subsidiary/ Joint Venture / Associate Companies**

Our JV Partner Entities are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Red Herring Prospectus.

**Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Outstanding Convertible Instruments Issued by our Company**

Except as stated under section titled '*Capital Structure'* beginning on page 100 of this Red Herring Prospectus, our Company has not issued any debentures or bonds redeemable preference shares or other Outstanding Convertible instruments in the past.

**Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Option to Subscribe**

a) Investors will get the allotment of specified securities in dematerialization form only.
b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

**Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Company" in terms of the SEBI ICDR Regulations, and this Offer is an "Initial Public Offering" in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

**Mechanism for Redressal of Investor Grievances**

Our Company has appointed "MUFG Intime India Private Limited *(Formerly Link Intime India Private Limited)*" as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of our Company.

The agreement dated November 09, 2024 between the Registrar to the Offer and our Company provides for retention of records with the Registrar for a period of at least 3 years from the last date of dispatch of the letters of Allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar to the Offer with a copy to the Compliance Officer, giving full details such as the name, address of the Applicant, number of Equity Shares applied for, UPI-ID (if applicable) amount paid on Application and the bank branch or Collection Center where the Application was submitted. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be 7 Business Days of our Company from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on November 06, 2024 reconstituted the Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

| Name of Director | Designation in the Committee | Nature of Directorship |
|---|---|---|
| Mr. V. Swaminathan | Chairman | Non- Executive Independent Director |
| Mr. Chandrasekhar Sundaram | Member | Non- Executive Independent Director |
| Ms. Deepthi Shiva | Member | Non- Executive Non-Independent Director |

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on Application and the Designated Branches or the Collection Center of the SCSB where the Application Form was submitted by the ASBA Applicants in ASBA Account or UPI-ID linked bank account number in which the amount equivalent to the Application Amount was blocked.

The Applicant should give full details such as name of the First/ Sole Applicant, Application Form number, Applicant DP-ID, Client-ID, PAN, bank account number, UPI-ID, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the Applicant shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

**Disposal of Investor Grievances by our Company:**

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Circular

SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board meeting held on August 14, 2024. For further details, please refer to the section titled '*Our Management'* beginning on page 205 of this Red Herring Prospectus.

Our Company has appointed Ms. Aastha Kochar, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Ms. Aastha Kochar,**
**Company Secretary and Compliance Officer,**
Grand Continent Hotels Limited
Municipal No 3, 3rd Main Road, K R Garden,
Koramangala, Bengaluru - 560095, Karnataka, India.
**Email:** cs@grandcontinenthotels.com
**Website:** https://grandcontinenthotels.com/

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

The Promoter Selling Shareholder have authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of their respective portion of the Offered Shares.

**Status of Investor Complaints**

We confirm that we have not received any investor compliant during the 3 years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

**Disposal of Investor Grievances by Listed Companies under the Same Management as our Company.**

We do not have any listed company under the same management or any listed subsidiaries or any listed promoters.

**Capitalisation of Reserves or Profits**

Save and except as stated in the section titled '*Capital Structure*' beginning on page 100 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last 5 years.

**Revaluation of Assets**

Our Company has not revalued its assets since incorporation till the date of this Red Herring Prospectus.

**Tax Implications**

Investors who are Allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchange. For details, please refer the section titled '*Statement of Special Tax Benefits'* beginning on page 137 of this Red Herring Prospectus.

**Purchase of Property**

Other than as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired, which is to be paid, for wholly or partly, from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

**Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or Benefit to Officers of our Company.**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled '*Our Management*' and '*Related Party Transactions*' beginning on page 205 and 232 respectively of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any:**

As on date of the Red Herring Prospectus, our Company has not applied for or received any exemption from complying with any provisions of SEBI (ICDR) Regulations.

## SECTION XI: OFFER INFORMATION

## TERMS OF THE OFFER

*The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/ or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/ or any other authorities while granting its approval for the Offer.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, Retail Individual Investors and Non-Institutional Investors making application of up to ₹5 lakhs, applying in public Offer shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorised to collect the Bid cum Application Forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.*

### The Offer

The Offer comprises of a Fresh Offer and an Offer for Sale by the Promoter Selling Shareholder. The expenses for the Offer shall be shared amongst our Company and the Selling Shareholder in the manner specified in "*Objects of the Offer – Offer Expenses*" on page 114.

### Ranking of the Equity Shares

The Equity Shares being offered, allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of face value of ₹ 10/- each of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company. For further details, refer section titled "*Main Provisions of Articles of Association*" on page 382.

### Authority for the Offer

This Offer has been authorized by a resolution of the Board passed at their meeting held on November 06, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 23(1)(a), 62 (1)(c) and other applicable provisions of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on November 08, 2024.

Further, our Board pursuant to its resolution dated November 21, 2024, approved the Draft Red Herring Prospectus for filing with the Stock Exchange and pursuant to the resolution dated March 13, 2025 approved this Red Herring Prospectus respectively for filing with the Registrar of Companies, Stock Exchange & SEBI.

### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and other applicable laws in this respect 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. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees who have been allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapters titled ***"Dividend Policy"*** and *"Main Provisions of the Articles of Association"* beginning on pages 233 and 382 respectively of this Red Herring Prospectus.

**Face Value, Offer Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ 107/- per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ 113/- per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot for the Offer decided by our Company, in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and regional newspaper, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. 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 on the website of the Stock Exchange. The Cap Price will not be more than 120% of the Floor Price. The Offer Price shall be determined by our Company (acting through the IPO Committee), in consultation with the BRLM after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued and offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares of our Company, subject to applicable laws.

**Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI (LODR), 2015 and the Memorandum and Articles of Association of the Company.

**Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements has been signed by our Company with the respective Depositories and the Registrar to the Offer before filing this Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated Date September 02, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated Date August 28, 2024.

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 an Offer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement Offered through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 1,200 Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 1,200 Equity Shares subject to a minimum allotment of 1,200 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

**Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders.

**Joint Holders**

Subject to provisions of the Articles of Association of the Company, where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Jurisdiction**

Exclusive Jurisdiction for the purpose of this Offer is with the competent courts/authorities in Chennai, Tamil Nadu, India.

**The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. persons‖ (as defined in Regulation S), 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 outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 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 the prescribed manner, 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 buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are 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-Offer capital of our Company, Promoters' minimum contribution as provided under the section titled *"Capital Structure"* on page 100 of this 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 chapter titled *"Main provisions of the Articles of Association"* on page 382 of this 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager 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 this 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.

**Withdrawal of the Offer**

In accordance with SEBI ICDR Regulations, the Company, in consultation with the BRLM, reserve the right to not proceed with the Offer, in whole or part thereof, to the extent of their respective portion of Offered Shares after the Bid/Offer Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLM, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLM through the Registrar to the Offer shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly. If the Offer is withdrawn after the designated date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. 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 our Company, in consultation with the Book Running Lead Managers withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange

**BID/OFFER PROGRAM**

| **Events** | **Indicative Dates** |
|---|---|
| **Bid/Offer Opening Date[1]** | Thursday, March 20, 2025 |
| **Bid/Offer Closing Date[2] (T)** | Monday, March 24, 2025 |
| **Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)** | On or about Tuesday, March 25, 2025 |
| **Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account[3] (T+2)** | On or about Wednesday, March 26, 2025 |
| **Credit of Equity Shares to Demat accounts of Allottees (T+2)** | On or about Wednesday, March 26, 2025 |
| **Commencement of trading of the Equity Shares on the Stock Exchange (T+3)** | On or about Thursday, March 27, 2025 |

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

[2]Our Company, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

[3]In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹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 in the Stock Exchange bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than

the Bid Amount, the Applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Applicant shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI 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, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Applicants 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 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the UPI Circulars

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

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 the time prescribed under applicable law, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay 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. The Selling Shareholder confirm that they shall extend such reasonable support and cooperation in relation to his portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

The SEBI is in the process of streamlining and reducing the post Offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

| **Bid/Offer Period (except the Bid/Offer Closing Date)** | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**") |
| **Bid/Offer Closing Date*** | |
| Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)–For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 5 Lakhs) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of Physical Applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |

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| Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹ 5 Lakhs) | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| **Modification/ Revision/cancellation of Bids** | |
| Upward Revision of Bids by QIBs and Non-Institutional Investors categories[#] | Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIIs and Eligible Employees Bidding in the Employee Reservation Portion | Only between 10.00 a.m. and up to 5.00 p.m. on Bid/ Offer Closing Date |

**UPI mandate end time and date shall be at 5:00 p.m. on Bid/ Offer Closing Date.

[#]QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

a. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

b. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

On the Bid/Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of ten Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will 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 the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

**Minimum Subscription**

This Offer is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company, to the extent applicable, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

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 allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

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 Limited at a later date subject to the following:*

a. *If the Paid-up Capital of our Company is likely to increase above ₹ 2500 Lakhs by virtue of any further Offer of capital by way of rights, preferential Offer, bonus Offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter 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 Limited 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*

b. *If the paid-up Capital of our company is more than ₹ 1000 Lakhs but below ₹ 2500 Lakhs, 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 Promoter 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 desiring to migrate to the Main board from the SME Board within two years of listing on Emerge platform of NSE has to fulfill following conditions:*

a. *The increase in post Offer face value capital beyond ₹ 2500 Lakhs should arise only because of merger/acquisition or for expansion purposes.*
b. *The company should have a minimum turnover of ₹ 10,000 Lakhs as per last audited financials and market capitalization of ₹ 10,000 Lakhs.*
c. *The company should have a minimum profit before tax of ₹ 10,000 Lakhs for two years out of three preceding years.*
d. *There should not be any action against the company by any regulatory agency at the time of application for migration.*

*The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, which was revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. The NSE has further reviewed the existing eligibility criteria and revised the migration policy from SME Platform of NSE-to-NSE Main Board vide circular Download Ref. No. NSE/SME/61057 dated March 07, 2024 which is effective from April 01, 2024.*

**Market Making**

The Equity Shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement please refer to section titled *"General Information"* beginning on page 87 of this Red Herring Prospectus.

**Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 1,200 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 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 Emerge Platform of NSE.

**Option to receive Securities in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange. Bidders will not have the option of Allotment of the Equity Shares in physical form. 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.

**Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Offer 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 Offer 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.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post-Offer paid capital is more ₹ 1,000 Lakhs and up to ₹ 2,500 Lakhs. Our Company shall Offer equity shares to the public and propose to list the same on the Emerge Platform of the National Stock Exchange of India Limited. For further details regarding the salient features and terms of this Offer, please refer to the chapter titled *"Terms of the Offer"* and *"Offer Procedure"* beginning on pages 333 and 347 respectively of this Red Herring Prospectus.

The Offer of up to 65,89,200 Equity Shares of face value of ₹10 each fully paid (the "Equity Shares") for cash at a price of ₹ [●] per Equity Shares (including a share premium ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs ("The Offer") comprising a Fresh Issue of up to 62,60,400 Equity Shares of face value of ₹10 each fully paid aggregating up to ₹ [●] Lakhs and an Offer for Sale of up to 3,28,800 Equity shares of face value of ₹10 each fully paid aggregating up to ₹ [●] Lakhs by the Promoter Selling Shareholder, 3,30,000 Equity Shares of ₹10 each will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"), 12,000 Equity Shares of ₹10 each will be reserved for subscription by Eligible Employees ("Employee Reservation Portion") which shall not exceed 5% of post Offer Paid-up Equity Share Capital and a Net Offer to public of 62,47,200 Equity Shares of face value of ₹10 each fully paid up is hereinafter referred to as the Net Offer. The Offer and the Net Offer will constitute 26.44 % and 25.07% respectively of the post offer paid up Equity Share Capital of our Company. The Offer is being made through the Book Building Process.

| **Particulars of the Offer [2]** | **Market Maker Reservation Portion** | **Eligible Employees[#]** | **QIBs[1]** | **Non-Institutional Investors** | **Retail Individual Investors** |
|---|---|---|---|---|---|
| Number of Equity Shares available for allotment/allocation | 3,30,000 Equity Shares. | Up to 12,000 Equity Shares of face value of ₹ 10 each | Not more than 31,22,400 Equity Shares. | Not less than 9,37,200 Equity Shares Available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders. | Not less than 21,87,600 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders. |

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| Percentage of Offer Size available for allocation | 5.01 % of the Offer Size | Up to 0.18 % of the post Offer Paid-Up Equity Share Capital of our Company | Not more than 50% of the Net Offer being available for allocation to QIB Bidders.<br>However, upto 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs | Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation | Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation |
| Basis of Allotment/allocation if respective category is oversubscribed [3] | Firm Allotment | Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹2 lakhs. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employee Bidding in the Employee Reservation Portion for value exceeding | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) Up to 63,600 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) Up to 11,85,600 Equity Shares shall be available for allocation on a proportionate | Allotment to each Non-Institutional Bidder shall not be less than the Minimum Non-Institutional Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For | Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, section titled "*Offer Procedure*" on page 347 of |

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| | | ₹2 lakhs, subject to total Allotment to an Eligible Employee not exceeding ₹5 lakhs. | basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.<br><br>(c) Up to 60% of QIB Portion (of upto 18,73,200 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | details, refer section titled "*Offer Procedure*" beginning on page 347 of this Red Herring Prospectus. | this Red Herring Prospectus . |
| Mode of Allotment | Compulsorily in dematerialized mode | | | | |
| Minimum Bid Size | 3,30,000 Equity Shares | 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter of face value of ₹ 10 each. | Such number of Equity Shares and in multiples of 1,200 Equity Shares that the Bid Amount Exceeds ₹2 lakhs. | Such number of Equity Shares and in multiples of 1,200 Equity Shares that the Bid Amount exceeds ₹2 lakhs. | 1,200 Equity Shares and in multiples of 1,200 Equity Shares so that the Bid amount does not exceed ₹ 2 lakhs |
| Maximum Bid Size | 3,30,000 Equity Shares | Such number of Equity Shares in multiples of 1,200 Equity Shares so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹5 lakhs | Such number of Equity Shares in multiples of 1,200 Equity Shares so that the Bid does not exceed the size of the Net Offer (excluding the Anchor Investor Portion), subject to applicable limits. | Such number of Equity Shares in multiples of 1,200 Equity Shares so that the Bid does not exceed the size of the Net Offer (excluding the QIB Portion), subject to applicable limits | Such number of Equity Shares in multiples of 1,200 Equity Shares so that the Bid amount does not exceed ₹ 2 lakhs |

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| Trading Lot | 1,200 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | 1,200 Equity Shares and in multiples thereof. | 1,200 Equity Shares and in multiples thereof. | 1,200 Equity Shares and in multiples thereof. | 1,200 Equity Shares and in multiples thereof. |
| Who can apply [(4) (5) (6)] | Market Maker | Eligible Employees | Public financial institutions as per the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 2500 lakhs, pension funds with minimum corpus of ₹ 2500 lakhs, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically | Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI. | Resident Indian individuals, eligible NRIs and HUFs (in the name of the karta) |

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| | | | Important NBFCs. | | |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(7)] | | | | |
| Mode of Bid | Only through the ASBA process | Only through the ASBA process. In case of UPI Bidders, ASBA process will include the UPI Mechanism. | Only through the ASBA process (except for Anchor Investors). | Only through the ASBA process. In case of UPI Bidders, ASBA process will include the UPI Mechanism. | Only through the ASBA process. In case of UPI Bidders, ASBA process will include the UPI Mechanism. |

*This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*[(1)]Our Company may, in consultation with the Book Running Lead Manager, 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 or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, refer section titled "Offer Procedure" on page 347 of this Red Herring Prospectus .*

*[(2)]In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post-Offer paid-up Equity share capital of the Company. This Offer is being made through the Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations. For further details, refer section titled "Terms of the Offer" on page 333 of this Red Herring Prospectus.*

*[(3)]Subject to valid Bids being received at or above the Offer 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.*

*[(4)]In case of joint Bids, the Bid cum 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. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

*[(5)] Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the members of the Syndicate, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

*[(6)] Bids by FPIs with certain structures as described under "Offer Procedure – Bids by FPIs" on page 347 of this Red Herring Prospectus and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.*

*[(7)] Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

*[#] Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 5 lakhs. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 2 lakhs. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 2 lakhs, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 5 lakhs. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 2 lakhs) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case*

*of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange, on proportionate basis as per the SEBI ICDR Regulations.

The Bids by FPIs with certain structures as described under section titled as *"Offer Procedure"* on page 347 of this Red Herring Prospectus and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Offer prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI and UPI Circulars ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – General Information Document", which highlights the key rules, processes, and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.*

*Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form;(x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, 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, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard from time to time ("UPI Circulars") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. For details on the phased implementation of UPI as a payment mechanism, refer section titled – "Phased Implementation of UPI as per UPI Circular" below. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5 Lakhs shall 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLM, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the revised timeline of T+3 days had been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September1, 2023; and (ii)mandatory on or after December 1, 2023 ("T+3 Notification"). The Offer has been undertaken pursuant to the processes and procedures as notified in the T+3 Notification under Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.*

*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/Offer Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the*

*intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

*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, the Selling Shareholder and BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and BRLM would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application 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 Red Herring Prospectus and the Prospectus.*

*This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.*

**PHASED IMPLEMENTATION OF UPI AS PER THE UPI CIRCULAR**

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, 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 08, 2019, and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the "UPI Circulars") in relation to streamlining the process of public Offer 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 the mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs 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 a complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediaries and use his/ her UPI ID for the purpose of blocking funds. The time duration from public issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Furthermore, as per SEBI circular 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 is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues 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 9, 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 1, 2023; and (ii) mandatory on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures as notified in the T+3 Notification under Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis)

Pursuant to the UPI Circulars, SEBI has set out specific requirements for the redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI UPI Circular include the 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 Bidders to be unblocked not 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 in this regard, the relevant SCSB as well as the post–issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issuer shall also provide the facility to make applications using the UPI Mechanism. The Issuer will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate the collection of requests and/or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and provide written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 5 lakhs shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- a registrar to the Offer and shares transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the BRLM.

**BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via the book-building process.

The allocation to the public will be made as per Regulation 253 of SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and 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, 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Accordingly, we have allocated the Net Offer i.e., not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Offer shall be available for allocation to Non institutional bidders and not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs.

Furthermore, up to 12,000 Equity Shares, aggregating up to ₹ [●] lakhs shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under- subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 2 lakhs subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.***

***Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021 and September 17, 2021.***

**BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders shall Bid in the Offer through UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders) must provide bank account details and authorization by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centers only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism, will be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

i. RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

ii. UPI Bidders may submit their ASBA Forms with the 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.

iii. QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Anchor Investors** | White |
| Resident Indians, including resident QIBs, Non-Institutional Investors, UPI Bidders and Eligible NRIs applying on a non-repatriation basis | White |
| Eligible NRIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis | Blue |
| Eligible Employees Bidding in the Employee Reservation Portion# | Pink |

**Excluding electronic Bid cum Application Form*

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.*

*# Bid cum Application Forms for Eligible Employees shall be available at the Registered Office or Corporate Office of our Company.*

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit / deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated 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(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, 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 stock broker 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 Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*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.*

*Designated Intermediaries shall submit Bid cum Application Forms to SCSBs only.*

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 SCSBs:** | 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 Offer. |
| **For applications submitted by investors to intermediaries other than SCSBs with the 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. |

The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Banker to the Offer. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI 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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, it has been mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹5 lakhs and NII & QIB bids above ₹2 lakhs through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks 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 the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and resubmission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID / Client ID or Pan ID (Either DP ID / Client ID or

Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

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.

**The Equity Shares 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, and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**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.**

Participation by the Promoters and Members of the Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Members and the persons related to the Promoter/Promoter Group/BRLM and the Syndicate Member.

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLM nor any persons related to the BRLM can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLM;

(ii) insurance companies promoted by entities which are associate of the BRLM;

(iii) AIFs sponsored by the entities which are associate of the BRLM; or

(iv) FPIs other than individuals, corporate bodies and family offices which are associate of the BRLM; or

(v) pension funds sponsored by entities which are associate of the BRLM.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group":

a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group;

b) veto rights; or

c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

c) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

The Promoters and the members of the Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer. Further, persons related to our Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

**Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid / Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

**Who can Bid?**

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 Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- 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);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: Name of Sole or First Bidder: 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;
- 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;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- 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);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- 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;
- Scientific and / or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds and Pension Funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- 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;
- Multilateral and bilateral development financial institution;
- Eligible QFIs;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies

applicable to them.

Applications not to be made by:

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. 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 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under 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 Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

## MAXIMUM AND MINIMUM APPLICATION SIZE

**1. For Retail Individual Bidders**

The Application must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000/-. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000/-.

**2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000/- and in multiples of 1,200 Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000/- for being considered for allocation in the Non-Institutional Portion.

**Bidders 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 Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The 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 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 or regulations.**

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM has decided the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper, "Financial Express", all editions of Hindi national newspaper, "Jansatta" and Chennai Edition of Regional newspaper "Dina Kural" , where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

a. The Bid/Offer Period shall be for a minimum of three Working Days and shall not exceed ten Working Days. The Bid/Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper, "Financial Express", all editions of Hindi national newspaper, "Jansatta" and Chennai Edition of Regional newspaper "Dina Kural" where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the BRLM.

b. During the Bid/Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

c. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder / Applicant at or above the Offer Price will be considered for allocation / Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

d. The Bidder/Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph ***"Buildup of the Book and Revision of Bids".***

e. Except in relation to the Bids received from the Anchor Investors, the BRLM the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

f. The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid / Offer Period i.e., one working day prior to the Bid / Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

g. Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in "Escrow Mechanism – Terms of payment and payment into the Escrow Accounts" in the section "*Offer Procedure*" beginning on page 347 of this Red Herring Prospectus.

h. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

i. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

j. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

k. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal / failure of the Offer or until withdrawal / rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal / failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

**BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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 disclosed. If the revised price band decided, falls within two different price bands then the minimum application lot size shall be decided based on the price band in which the higher price falls.

b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d. Retail Individual Bidders, who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at the Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

**Participation by Associates / Affiliates of BRLM and the Syndicate Members:**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe to the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters, and Promoter Group can apply in the Offer under the Anchor Investor Portion.

**Option to Subscribe to the Offer:**

a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

b) The Equity Shares, on the allotment, shall be traded on the Stock Exchange in the Demat segment only.

c) A single application from any investor shall not exceed the investment limit / minimum number of Equity Shares that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

**Information for the Bidders:**

1. Our Company and the BRLM shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be

rejected.

8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his / her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating in transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID, and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to ₹ 200 Lakhs, maximum of 2 (two) Anchor Investors.
- where the allocation under the Anchor Investor Portion is more than ₹ 200 Lakhs but up to ₹ 2,500 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100 Lakhs per Anchor Investor; and
- where the allocation under the Anchor Investor portion is more than ₹ 2,500 Lakhs i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹ 2,500 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2,500 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100 Lakhs per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid / Offer Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid / Offer Closing Date. If the Offer Price is lower than the Anchor Investor

Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. 50% of Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment and remaining shall be locked in for 90 Days from the date of allotment.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
12. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

**BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of the Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

**BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings 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 sectorial 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. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer 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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Offer 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 an FPI against securities held by it that are listed or

proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event 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. 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.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

**BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF 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 1/3$^{rd}$ 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 Regulation 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 FIIs 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 BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

**BIDS BY HUFS:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum 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". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

**BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids 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.

**BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis

and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

**BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, 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 must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- With respect to Bids 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 along with the Bid cum Application Form.
- With respect to Bids made by provident funds with a minimum corpus of ₹2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 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 Bid cum Application Form.
- With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.
- Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

**BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹2500 Lakhs (subject to applicable law) and pension funds with minimum corpus of ₹2500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

**BIDS BY BANKING COMPANY:**

In case of Bids 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 are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, 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 by a banking company in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of RBI, if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services; or (iv) make any investment in a Category III AIFs and any investment by a bank's subsidiary in a Category III AIF shall be restricted to the regulatory minima prescribed by SEBI. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

The banking company is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 as amended; and (iii) investment of more than 10% of the paid-up capital / unit capital in a Category I AIF or Category II AIF.

**BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public Offers and clear demarcated funds should be available in such account for such Bid cum applications.

**BIDS BY ELIGIBLE EMPLOYEES**

The Bid must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 5 lakhs. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹ 5 lakhs.

However, Allotments to Eligible Employees in excess of ₹ 2 lakhs shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

In relation to Bids under Employee Reservation Portion by Eligible Employees:

a) They may only be made only in the prescribed Bid cum Application Form or Revision Form.

b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee. Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

c) Eligible Employees can apply at Cut-off Price.

d) If the aggregate demand in this category is less than or equal to 1,200 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

e) Eligible Employees bidding in the Employee Reservation Portion can also Bid through the UPI mechanism.

f) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

g) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

If the aggregate demand in this category is greater than 1,200 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. Please note that any individuals who are directors, employees or promoters of (a) the BRLM, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLM, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

**ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

- Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
- The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

**Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders:**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders 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 Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum 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 Bid Cum Application Form, please refer the above-mentioned SEBI link.

**Terms of payment**

The entire Offer 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 Bidders.

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 Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

**Payment Mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum 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 Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum

Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal / failure of the Offer or until rejection of the Application by the ASBA Bidder, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a Public Offer 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 Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

**Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, 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 favour of:

a. In case of resident Anchor Investors: ― "Grand Continent Hotels Limited - Anchor Resident Account"
b. In case of Non-Resident Anchor Investors: ― "Grand Continent Hotels Limited - Anchor Non-Resident Account"
c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

**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 can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
3. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
4. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded during the Bid/Offer period till 5.00 p.m. on the Bid/ the Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.
5. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,

a. the applications accepted by them,
b. the applications uploaded by them
c. the applications accepted but not uploaded by them or
d. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum 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

6. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to;

    a. The applications accepted by any Designated Intermediaries
    b. The applications uploaded by any Designated Intermediaries or
    c. The applications accepted but not uploaded by any Designated Intermediaries

7. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer 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 Offer 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.

8. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| **Sr. No.** | **Details*** |
|---|---|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

9. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:

    - Name of the Bidder;
    - IPO Name;
    - Bid Cum Application Form Number;
    - Investor Category
    - PAN (of First Bidder, if more than one Bidder);
    - DP ID of the demat account of the Bidder;
    - Client Identification Number of the demat account of the Bidder;
    - Number of Equity Shares Applied for;
    - Bank Account details;
    - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
    - Bank account number.

10. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

11. 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 Bid Cum 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.

12. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

13. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

14. 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, 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 Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

15. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid / Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
16. The SCSBs shall be given one day after the Bid / Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
17. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

**Build of the Book**

a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid / Offer Period.

b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid / Offer Period.

**Withdrawal of Bids**

a. RIIs can withdraw their Bids until Bid / Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid / Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

b. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

**Price Discovery and Allocation**

a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.

b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c. Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the issued and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the issuer, Bidders may refer to the RHP.

e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

f. Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20

to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off.

Bids are valid Bids and are considered for allocation in the respective categories.

**Signing of Underwriting Agreement and Registering of Red Herring Prospectus / Prospectus with ROC**

Our company has entered into an Underwriting Agreement dated November 09, 2024.

a. A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 26 & 32 of Companies Act, 2013.

**Pre-Offer 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-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid / Offer 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.

**Advertisement Regarding Offer Price and Prospectus:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

**GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bids during the Bid / Offer period and withdraw their Bids until Bid/Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the

Designated Intermediary at the Bidding Centre;

6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the 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 Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum 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 Bid cum 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;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum 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);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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 IT 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum 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 Bid cum 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 Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. 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 Offer;

24. 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;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only.
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2 Lakhs/- (f or Applications by Retail Individual Bidders) and ₹ 5 lakhs for Bids by UPI Bidders and Eligible Employees Bidding in the Employee Reservation Portion ;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Offer 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 the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid 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);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.
17. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Other instructions for the Bidders Joint Bids**

**Joint Bids**

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.

**Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

**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 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. Bid cum Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid cum Application is liable to be rejected on this ground. Our Company/Registrar to the Offer, Book Running Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Bidder.

**Our Company/Registrar to the Offer, Book Running Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Bidder.**

**Investor Grievance**

In case of any pre-Offer or post Offer related problems regarding demat credit / refund orders / unblocking etc. the Investors can contact the Compliance Officer of our Company.

**Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

**Submission of Bids**

a. During the Bid / Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
b. In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
c. For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

**RIGHT TO REJECT APPLICATIONS**

In case of QIB Bidder, the Company in consultation with the Book Running Lead Manager may reject Bid cum Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Investors, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

**GROUNDS OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form / Application Form does not tally with the amount payable for the value of the Equity Shares Bid / Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest / money order / postal order / cash / cheque / demand draft / pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid / Offer Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account numbers.
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act.
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form / Application Form. Bids not duly signed by the sole / First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

**BASIS OF ALLOCATION**

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

**ALLOTMENT PROCEDURE AND 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 Offer. However, in case the Offer 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:**

1. 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.
2. If RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
3. Third party confirmation of applications to be completed by SCSBs on T+1 day.
4. RTA prepares the list of final rejections and circulate the rejections list with BRLM/ Company for their review/ comments.
5. Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
6. The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
7. The RTA uploads the drawal numbers in their system and generates the final list of allotees 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 drawal 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 RTA will prepare the proportionate working based on the oversubscription times.

In categories where there is undersubscription, the RTA will do full allotment for all valid applications.

On the basis of the above, the RTA will work out the allotees, partial allotees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT**

a. **For Retail Individual Bidders**:

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to 1,200 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 21,87,600 Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to 1,200 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 9,37,200 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations or RHP/ Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

1) In the first instance allocation to Mutual Funds for 5 % of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5 % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5 % of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5 % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above Offer Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

2) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter for 95 % of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

**d. Allotment to Anchor Investor (If Applicable)**

a. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the issuer, in consultation with the BRLM, subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii. 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 price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹200 Lakhs;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹200 lakhs and up to ₹2500 lakhs subject to minimum allotment of ₹100 lakhs per such Anchor Investor; and
- in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b. A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c. **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be is to such Anchor Investors.

d. **In the event the Offer Price is lower than the Anchor Investor Allocation Price**:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

e. **Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer**:

In the event of the Offer Being Over-Subscribed, the issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

a. 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 oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

b. The number of Shares to be allocated to the successful Bidders 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).

c. For Bids where the proportionate allotment works out to less than 1,200 Equity Shares the allotment will be made as follows:

- Each successful Bidder shall be allotted 1,200 Equity Shares ; and
- The successful Bidder out of the total bidders for that category shall be determined by draw 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.

d. If the proportionate allotment to a Bidder works out to a number that is not a multiple of 1,200 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.

e. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1,200 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital

Structure mentioned in this RHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2 Lakhs Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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.

**Issuance of Allotment Advice:**

1) Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Company shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been allotted Equity Shares in the Offer.

2) The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

3) Company will: (i) complete the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful Bidder's Depository Account within 2 working days of the Offer Closing date. The Company also ensures the credit of shares to the successful Bidders Depository Account is completed on the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the Company.

4) 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 2 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

**Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Banker to the Offer.

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 2 working days of the Bid /Offer 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.

**Instructions for Completing the Bid Cum Application Form:**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public Offers using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect front January 01, 2016.

**Bidder'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 Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected**.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment 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 Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

**Submission of Bid Cum Application Form:**

All Bid Cum 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 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.

**Communications:**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum 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 Offer in case of any pre-Offer or post Offer 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 the 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 the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer 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 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Offer Closing Date, would be ensured; and

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 SEBI (ICDR) Regulations, the Companies Act, 2013 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 Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation**:

Attention of the Bidders 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."

Section 447 of Companies Act, 2013 deals with 'Fraud' and prescribed a punishment of imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud.

**Undertakings by Our Company:**

We undertake as follows:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Offer Closure date.
3. 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 Offer by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter's contribution in full has already been brought in;
6. That no further Offer 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, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Offer after the Bid / Offer 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 Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Offer after the Bid / Offer 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 Offer;
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, 2013, the SEBI Regulations and applicable law for the delayed period.
11. That the Promoters' contribution in full, if required, shall be brought in advance before Offer opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Bidders in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time.

**Undertaking by the Selling Shareholder**:

The Selling Shareholder, specifically undertake and/or confirm the following solely in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

a. it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;

b. its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;

c. it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer; and

d. it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchange.

**Utilization of Offer Proceeds:**

The Board of Directors of our Company certifies that:

1. All monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer 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 Offer, 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
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Fresh Issue.
5. Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL:**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. Tripartite Agreement dated Date September 02, 2024 between NSDL, our Company and Registrar to the Offer; and

b. Tripartite Agreement dated Date August 28, 2024 between CDSL, our Company and Registrar to the Offer.

The Company's equity shares bear an International Securities Identification Number INE12E301017.

## 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 Foreign Exchange Management Act, 1999 ("**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. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("**RBI**") and Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy 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 or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The 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 SAST 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.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company. For details, please refer to the section titled *'Offer Procedure'* beginning on page 347 of this Red Herring Prospectus.

**Foreign Exchange Laws**

On October 17, 2019, 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 Offer shall be on the basis of the FEMA Rules.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments 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 ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. 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.

Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, 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 of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. 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 Offer in writing about such approval along with a copy thereof within the Offer Period.

**Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

**Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

**Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**US Securities Act**") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "**US Persons**" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the "**Prospectus Directive**") has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

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 Application 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 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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION XII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

***THE COMPANIES ACT, 2013***

***COMPANY LIMITED BY SHARES***

***ARTICLES OF ASSOCIATION***

***OF***

***GRAND CONTINENT HOTELS LIMITED***

The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on May 27, 2024. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

1) The regulations contained in Table 'F' of Schedule I of Companies Act 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles

**INTERPRETATION**

2)

(i) In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:

**a)** "**The Company**" or "**This Company**" means **GRAND CONTINENT HOTELS LIMITED.**

b) "**The Act**" means the Companies Act, 2013 including any statutory amendments thereto and the rules and Schedules made there under, and notified from time to time.

c) "**These Articles**" or "**Articles**" means Article of Association of the Company as originally framed or altered from time to time by Special Resolution or applied in pursuance of any previous Company law or of this Act.

d) "**Auditors**" means and include those persons appointed as such for the time being by the Company.

e) "**Beneficial Owner**" means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.

f) "**Board**" or "**Board of Directors**" means the collective body of the Directors of the Company, as constituted from time to time, in accordance with Law, and the provisions of these Articles.

g) **"Board Meeting"** means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles;

h) "**Capital"** means the share capital for the time being raised or authorized to be raised, for the purpose of the company.

i) "**The Chairman**" means the Chairman of the Board of Directors for the time being of the Company.

j) "**Charge**" means an interest or lien created on the property or assets of a Company or any of its undertakings or both as security and includes a mortgage.

k) **"Committees"** means committees constituted by the Board of Directors of the Company from time to time;

l) "**Debentures**" includes debenture-stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the company or not.

m) "**Depositories Act**" means the Depositories Act, 1996 and includes any statutory modification(s) or re-enactment thereof for the time being in force.

n) "**Depository**" means a Depository as defined in clause (e) sub- section (1) of section 2 of the Depositories Act, 1996.

o) "**Director**" means a director appointed to the Board of a company.

p) "**Dividend**" includes any interim dividend.

q) **"E-voting"** means voting by electronic means as prescribed under the Act.

r) **"Employees' Stock Option"** means the option given to the directors (except Independent Directors), officers or employees of a company, or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares at a future date at a pre-determined price

s) **"Equity Share Capital"** means the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis;

t) "**Executor**" or "**Administrato**r" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.

u) "**Legal Representative**" means a person who in law represents the estate of a deceased Member.

v) "**Members**" in relation to a Company, means;

   A. The subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;

   B. Every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;

   C. Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a Depository.

w) "**Meeting"** or "**General Meeting**" means a meeting of the members of the Company.

x) "**Annual General Meeting**" means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act.

y) "**Extraordinary General Meeting"** means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.

z) "**Month**" means a calendar month.

aa) "**National Holiday"** means and includes a day declared as National Holiday by the Central Government.

bb) "**Office"** means the registered office for the time being of the Company.

cc) "**Ordinary or Special Resolution"** means an ordinary resolution, or as the case may be, special resolution referred to in Section 114 of the Act.

dd) "**Paid-up share capital**" or "**share capital paid up"** means such aggregate amount of money credited as paid up as its equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

ee) "**Proxy**" means an instrument whereby any person is authorized to attend a meeting and vote for a member at the general meeting on a poll and includes attorney duly constituted under the power of attorney.

ff) "**Register of Beneficial Owners**" means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode

gg) "**The Register of Members"** means the Register of Members to be kept pursuant to Section 88 of the Act and includes Register of Beneficial Owners.

hh) "**The Registrar**" means the Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar, or an Assistant Registrar, having the duty of registering Companies and discharging various functions under the Act.

ii) "**The Company's Regulations**" means the regulations for the time being for the management of the Company.

jj) "**Key managerial personnel**", in relation to a Company, means –

A. The Chief Executive Officer or the Managing Director or the Manager;

B. The Company secretary;

C. The Whole time director;

D. Chief Financial Officer;

E. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;

F. Such other officer as may be prescribed under the Act;

kk) "**Company Secretary**" or "**Secretary**" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.

ll) "**Security**" means Shares, Debentures and/or such other securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956

mm)"**Share**" means a share in the share capital of a Company and includes stock

nn) "**The Seal"** means the common seal of the Company.

oo) "**The Statutes**" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.

pp) "**Year**" and "**Financial Year**" "Years" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.

qq) Words importing the **singular number** include, where the context admits or requires, the plural number and vice versa.

rr) Save as aforesaid, **words or expressions contained in these Articles shall bear** the same meaning as in the Act or any statutory modifications thereof for the time being in force.

(ii) 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.

**CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

3) The Authorised Share Capital of the Company shall be of such amount as may be mentioned in the Capital Clause of the Memorandum of Association of the Company from time to time.

4) The Company in General Meeting may from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified rights to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.

5) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—

(a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or lessor days as may be prescribed in the Act and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution (as may be amended by the notification from time to time) passed by company and subject to such conditions as may be prescribed; or

(iii) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, subject to and in accordance with the Act and the Rules.

Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

6) Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.

7) On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:-

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.

(ii) no such shares shall be redeemed unless they are fully paid.

(iii) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the shares capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

8) The Company may (subject to the provisions of Sections 55 and 66 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share premium Account in any Manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon against or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

9) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

10) The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.

11) The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a

Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.

12) Subject to the provisions of section 61 of the Act, the Company in General Meeting may from time to time sub-divide or consolidated its shares, or any of them, and the resolution whereby any shares sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some reference or special advantages as regards dividend, capital or otherwise over or as compared with the others or other, Subject as aforesaid, the Company in general Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its shares capital by the amount of the shares so cancelled.

**AUTHORISING COMPANY TO BUY BACK ITS OWN SHARES**

13) 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.

**SHARE AND CERTIFICATES AND VARIATION OF RIGHTS**

14) 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 and in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section the Act) and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors thinks fit, and may issue ad allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

(i) Unless the shares have been issued in dematerialized form in terms of applicable laws, 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~~AND within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue as mentioned u/s 56 of the Companies Act,2013 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.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) 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.

(iv)

(a) Where a new certificate has been issued in pursuance of this Articles, particulars of every such share certificate shall be entered in a Register of renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes in the Register of Members by suitable cross reference in the "Remarks" column.

(b) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a 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 of shares to one or several joint holders shall be a sufficient delivery to all such holder.

15)

(i) If any share certificate be worn out, defected, 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 to the party entitled to such lost or destroyed Certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of this Articles shall mutatis mutandis apply to debentures of the company.

16) Except as required by law, no person shall be recognised 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 recognise (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 recognised in accordance with the Act) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. If any shares stands in the names of two or more persons, the person first named in the register shall be regards receipt of dividends or bonus or service of notice and all or any other matters connected with the

company, except voting at meetings be deemed the sole holder thereof, but the joint holders of the share, shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares for all incidents thereof according to the company regulations.

17) Except as ordered by a Court of competent jurisdiction or as by law required, the company shall not bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any rights in respect of a share other than absolute rights thereto, in accordance with these Article, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

18) If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

19) None of the funds of the company shall be applied for the purchase of any share of the company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding company save as provided by section 67 of the Act.

20)

(i) 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.

(ii) To every such separate meeting, the provisions of these regulations relating 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.

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.

**DEMATERIALISATION OF SECURITIES**

21) The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

22) The Board or any Committee thereof shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.

23) Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time

opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

24) If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

25) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

26)

(i) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in sub-clause above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

27) Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

28) Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

29) Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

30) Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

31) The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

**UNDERWRITING AND BROKERAGE**

32) Subject to the provisions of section 40 of the Act:

(i) 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.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) 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.

33) The company may pay a reasonable sum for brokerage.

**CALLS ON SHARES**

34)

(i) 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 such other per cent. determined the Board or prescribed under applicable law) or be payable at less than one month or such other period prescribed under applicable law from the date fixed for the payment of the last preceding call.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

35) 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.

36) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

37)

(i) 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.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

38)

(i) 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.

(ii) 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.

39) The Board

(a) 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

(b) 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.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

**LIEN**

40) The company shall have a first and paramount lien:

(a) upon all share/debenture (not being a fully paid share/debenture), (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.

(b) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions or this Article.

(c) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

41) 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:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) 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.

42)

(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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.

43)

(i) 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.

(ii) 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.

**FORFEITURE OF SHARES**

44) 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.

45) The notice aforesaid shall:

(i) 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

(ii) 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.

46) 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. Such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before the forfeiture.

47) When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

48) The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

49)

(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

50)

(i) 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 (calls, instalments, interest and expenses) which, at the date of forfeiture, were presently payable by him to the company in respect of the shares and Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value for the shares at the time of forfeiture, but shall not be under any obligation to do so.

(ii) 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.

51)

(i) 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;

(ii) 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 favor of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) 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.

52) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been seen previously surrendered to it by the defaulting member) stand cancelled and became null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

53) 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.

## TRANSFER AND TRANSMISSION OF SHARES

54)

(i) The Instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

(iii) The Instrument of transfer shall be in writing and all provisions of Section 56 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(iv) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document

55) The Board may, subject to the right of appeal conferred by section 58 decline to register:

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(ii) any transfer of shares on which the company has a lien.

56) The Board may decline to recognise any instrument of transfer unless:

(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(ii) 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
(iii) the instrument of transfer is in respect of only one class of shares.

57) 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.

58)

(i) 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 recognized by the company as having any title to his interest in the shares.
(ii) 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.

59)

(i) 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:

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made

(ii) 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.

60)

(i) the person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member of the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents may with the consent of Board of Directors (which shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under his article of his title, as the Board of Directors thinks sufficient, either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board of Directors registered as such holder.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) 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.

61) 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.

62) No share shall in any circumstances be transferred to any infant, insolvent or persons of unsound mind.

63) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. The Company shall also use a common form of transfer. Subject to applicable law, the Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

64) The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of

Members) to the prejudice of persons having or claiming any equitable right title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book or the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may been entered or referred to in some book of the Company, but the company shall nevertheless be at liberty to regard and attend to any such notice and given effect thereto, if the Board of Directors shall so think fit.

65) Subject to the provisions of the Act, these Articles, or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

**BOARD TO RECOGNIZE BENEFICIAL OWNERS OF SECURITIES**

66) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.

67) Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.

68) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

**NOMINATION**

69) Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.

70) Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

71) Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

72) Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

73) Copies of the Memorandum and Articles of Association of the Company and of other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request, within 7 days of the request, on payment of rupee one hundred for each copy

**BORROWING POWER**

74) The Board may, from time to time at its description subject to the provisions of Sections 179 and of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company, provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

75) The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

76) Any debentures, debenture-stock, bonds or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

77) Save as provided in Section 56 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

78) If the Board refuses to register transfer of any debentures the company shall, within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and to the transferor notice of the refusal.

79) The Board shall cause a proper Register to kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.

80) The Company shall if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or Country outside India a branch of Debenture-holders resident in that State or country.

**CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

81) The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstance will admit. The company may at any time reconvert any stock into paid-up shares of any denomination.

82) 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 meeting of the Company and matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the Dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

**MEETINGS OF MEMBERS**

83) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual general meetings shall be Extra-ordinary General Meetings. The first Annual General Meeting shall be held within a period of nine month from the date of closing of the first financial year of the Company and in any case, within a period of six months, from the date of closing of the year, provided that not more than fifteen months shall elapse between the date of one annual general meeting of a Company and that to the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the register under provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is between 9.00 AM to 6.00 PM on any day that is not a National Holiday and shall be held at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated, as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its Subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report (if not already incorporated in the Audited Statement of Accounts) the proxy Register with proxies and the Register shall be open and accessible during the continuance of the meeting. The

Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and submit the same to the Registrar in accordance with Section 92 and 137 of the Act.

84) The Board may, whenever it deems fit, call an extra ordinary general meeting of the Company.

85) The extraordinary general meeting shall be called by the Board, at the requisition in writing made by such number of members who hold, on the date of receipt of requisition, not less than one-tenth of such of paid-up capital of the Company as on the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

86) Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionist and be deposited at the registered office of the Company, provided that such requisition may consist of several documents in loose form and each shall be signed by one or more requisitionist.

87) Upon the receipt of any such requisition the Board shall within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call an extra ordinary general meeting for the consideration of that matter on a day not later than forty -five days from the date of receipt of such requisition. The requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to section 100 of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called may be held within three months from the date of the delivery of the requisition as aforesaid.

88) Any reasonable expenses incurred by the requisitionist in calling an extraordinary meeting shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such directors who were in default in calling the meeting.

89) Any meeting called under the foregoing Articles by the requisitionists shall be called and held in the same manner, as nearly as possible, as that in which meeting is to be called and held by the Board.

90) A general meeting of the Company may be called by giving not less than clear twenty-one days notice either in writing or through electronic mode in such manner as may be prescribed.

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or in electronic mode as prescribed under Section 101 of the Act.

Notice shall, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Article entitled to receive notice from the Company.

91) A notice calling the meeting shall be annexed with the statement setting out the following material facts concerning each item of special business to be transacted at a general meeting:

(i) The nature of concern or interest, financial or otherwise, if any, in respect of each items of

(a) Every director and the manager, if any;

(b) Every other key managerial personnel; and

(c) Relatives of the persons mentioned in sub-clause (i) and (ii) hereinabove;

(ii) Any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

92) In the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than:

(i) the consideration of the financial statements, and the reports of the Board of Directors and auditors.

(ii) the declaration of any dividend.

(iii) the appointment of Directors in place of those retiring.

(iv) the appointment of, and fixing of the remuneration of, the auditors, and in case of any other meeting, all business shall be deemed to be special.

Provided, that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid up share capital of the company, also be set out in the statement.

93) Any accidental omission to give notice to or the non-receipt of such notice as aforesaid by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

94) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement as referred in Article 79.

95) The notice of every meeting of the company shall be given to:

(i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;

(ii) the auditor or auditors of the Company; and

(iii) every director of the Company.

96) No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business, which has not been mentioned in the notice or notices upon which it was convened.

97) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.

98) A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

99) If, at the quorum is not present within half-an-hour form the time appointed for holding a meeting of the company

(i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine; or

(ii) the meeting called by requisitionist under section 100 of the Act, shall stand cancelled.

Provided, that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (i), the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

100) The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meetings he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the directors present may choose one of their member to be the Chairman of the meetings. If no director be present or if all the director present decline to take the chair, then the Members present shall elect one of themselves to be the Chairman thereof on a show of hands. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands under sub-section (1) of section 104, shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.

101) No business shall be discussed at any General Meeting except the election of a chairman, while the Chair is vacant.

102) The chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**VOTING RIGHTS AND PROXY**

103) No member shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of class of shareholders either upon show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

104) Subject to the provisions of these Articles and without prejudice to any special privileges or restriction as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company provided, however if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 47, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

105) On a poll taken at meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not if he votes, use all his votes or cast in the same way all the votes he used.

106) Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

107) Any person entitled under these Articles to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the register holder of such shares provided that forty eight hours at least before the time for holding the or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

108) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or any attorney duly authorized by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

109) An instrument of proxy may appoint a proxy either for the purpose of particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

110) A member present by proxy shall be entitled to vote only on a poll.

111) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

112) At any General Meeting, a Resolution put to the vote at the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands) demanded under section 109 or voting is carried out electronically:

(i) by the Chairman of the Meeting; or
(ii) by the member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the Resolution being not less than one-tenth of the total voting power in respect of the Resolution; or
(iii) by any Member or Members present in person or by proxy and holding shares in the company on which as aggregate sum of Five Lakh Rupees has been paid up; or
(iv) by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that

effect in the book containing the minutes of the proceedings of the Meeting of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

113) In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

114) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of poll shall be sole judge of the validity of every vote tendered at poll.

115) If a poll is demanded as aforesaid the same shall, subject to Articles be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

116) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to time. Once the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from each removal or from any other cause.

117) The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

118) If there be joint holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting, several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

119) 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, if any member be a minor the vote in respect of his share or shares shall be by his guardian or any of his guardian if more than one to be selected in case of dispute by the Chairman of the meeting.

120) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

121)

(i) 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.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

122) 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.

123) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

124) 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 of any power of attorney 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.

125)

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entire thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meetings.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in such minutes of any matter which in the opinion of the Chairman of the meeting:

(a) is or could reasonably be regarded, as, defamatory of any person; or

(b) is irrelevant or immaterial to the proceeding; or

(c) is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise on absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(vii) Any such minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing that minutes of proceedings of general meetings shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the directors determine, to the inspection of any member without charge.

**BOARD OF DIRECTORS**

126)

(i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Sections 2(10), 149, 162 and 152 of the Act, the company shall have a Board of Directors consisting of individuals as directors and shall have a minimum of three directors and a maximum of fifteen directors.

Provided, that the Company in General Meeting by passing a special resolution, may appoint more than fifteen directors

(ii) The first directors of the Company shall be:

i) Mr. Ramesh Siva

ii) Mrs. Vidya Ramesh

127) A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

128) If at any time the company obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwriters the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more nominee directors on the Board the Company, then provisions of Section 161 of the Act and subject to the term and conditions of such loan, assistance, contract or arrangement with the institution shall be entitled to appoint one or more nominee Director or Directors, as the case may be, to the Board of the company and to remove from office of Board of Directors, any Director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The nominee Director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue on office for so long as the relative loan, assistance, contract or arrangement as the case may be, subsists.

129) If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the company, then in the case of any and every such issue of Debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be appointed in his place. A debenture director shall not be liable to retire by rotation. A Debenture director shall not be bound to hold any qualification shares.

130) The Company shall have at least one director who has stays in India for total period of not less than one hundred and eighty-two days during the financial year.

131) The Company shall have at least two directors as Independent Directors in terms of provisions of Companies (Appointment and Qualification of Directors) Rules, 2014.

132) Every Independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act.

133) Subject of the provisions of section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

134) Notwithstanding anything contained hereof, no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

135) The Board of Directors of the Company may, by resolution passed by the company in general meeting, appoint a person, not being a person holding any Alternate Directorship for any other director in the company, to act as an Alternate Director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

Provided further that an Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate office if and when the Director in whose place he has been appointed returns to India.
Provided also that if the term of office of the original director is determined before he so returns to India, any provisions in the Act or in these Articles for his automatic reappointment of any retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

136) Subject to the provisions of Section 161 and 152 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum fixed under these Articles, and any such additional Director shall hold office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

137) Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.

138) Subject to the provisions of Sections 161, 152 and 169(7)) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to act as a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director is whose place he is appointed would have held office if it has not been vacated by him.

139)

(i) Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.

(ii) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a managing Director, may be paid remuneration either:

(a) by way of monthly payment or at a specified percentage of the net profits of the company or partly by one way or partly by another way;

(b) the sitting fee payable to a Director (including Managing Director or Whole time Director, if any), for attending each meeting of the Board or Committee thereof or for any other purpose whatsoever, shall not be more than the amount prescribed by the Act and Rules made thereunder.

Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors

140) The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting, as above specified; and if any Director by called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

141) The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by these Articles hereof, the continuing Directors not being less than two,

may act for the purpose of increasing the number of directors to the number or for summoning a General Meeting but no other purpose.

142) The office of a Director shall ipso facto be vacated if:

(i) he incurs any of the disqualifications specified in section 164 of the Act, 2013;

(ii) he absent himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

(iii) he act in contravention of the provisions of Section184 of the Act, relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(iv) he fails to disclose his interest in any contract or arrangements in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;

(v) he becomes disqualified by an order of a court or the tribunal;

(vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months.

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

(vii) he has been removed in pursuance of the provisions of the Act;

(viii) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary, or associate company, ceases to hold such office or other employment in that company.

143) Company shall not enter into any contract or arrangements with a related party except with the consent of the Board of Directors with respect to:

(i) sale, purchase or supply of any goods or materials

(ii) selling or otherwise disposing of, or buying property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such related party's appointment to any or place of profit in the company, its subsidiary company or associate company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the company.

Provided that no contract or arrangement shall be entered into by the company in excess of the limit prescribed under, Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the company by a resolution.

Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangements which may be entered into by the company, if such member is a related party

Provided also that nothing in these Articles shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis

144) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or as the case may be as shareholders, and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

145) Without prejudice to above, it shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of Section 188 of the Act for recovery of any loss sustained by it as a result of such contract or arrangement.

146) Every director shall at the first meeting of the Board of Directors in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after any such change, disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

147) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in the provisions of Section 184 of the Act;

Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

148) A contract or arrangement entered into by the company without disclosure or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

149) A General Notice given to the Board by the Directors, to the effect that he is a Director or member of a specified bodies corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relating to any contract or arrangement so made. All such notices shall be kept at the registered office of the company and shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Company secretary or any other person as authorized by the Board.

150) No Director shall as direct to take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement not shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall:

(i) be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;

(ii) apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or between one or more companies and one or more bodies corporate where any of the directors of the one company or body corporate or two or more of them together holds or hold not more than two percent of the paid up share capital in other company or the body corporate.

151) The Company shall keep one or more Registers under Section 189 of the Act, giving separately the particulars of all contracts or arrangements in compliance with the provisions of Section 184 and 188, in such manner and containing such particulars as required by the Act and shall within the time specified in the section, entering the particulars, such register shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.

The Register aforesaid shall also specify, in relation to each director of the company the names of the bodies corporate and firms of which notice has been given by him under these Articles. The Register shall be kept at the registered office of the Company or any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company as per section 94(1) as may be amended from time to time and shall be open for inspection at such office during business hours and extracts may be taken therefrom and copies thereof as may be required by any member of the company, shall be furnished by the company to such extent, in same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

152) A Director may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder, otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197(14) or Section 188 of the Act may be applicable.

153) At every Annual General Meeting of the Company, one third of such of the directors for the time being, as are liable to retire by rotation or if their number is neither three nor a multiple of three, the number nearest to one-third shall retire from office.

154) Subject to Section 152 of the Act, the Directors to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determined by lot.

155) At the Annual General Meeting at which a director retires under Article 154, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

156) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the registrar in such manner, within such time and such form as prescribed in the Act, and shall also place the fact of such resignation in the report of Directors laid in the immediately following general meeting by the company. The company shall follow the provisions of Section 168 of the Act.

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation, if required under the Act, to the registrar within thirty days of resignation in such manner as prescribed in the Act.

157)

(i) the vacancy of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

(ii) If at the adjourned meeting also, the vacancy of the retiring Director is not so filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless:

(a) at that meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost;
(b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
(c) he is not qualified or is disqualified for appointment;
(d) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
(e) the provisions of Section 162 of the Act is applicable to the case.

158)

(i) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting left at the office of the company a notice in writing under his hand signifying his candidature for the office of Director or as the case may be, the intention of such member to propose him as a candidate for that office.

(ii) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the company a notice under Section 160 of the Act Signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director if appointed along with the deposit of rupees one lakh.

Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of section 178 or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute Nomination and Remuneration Committee.

(iii) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

159) The Company shall keep at its registered office a register containing the particulars of its directors and key managerial personnel mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

160) Company shall file a return containing particulars and documents as prescribed by the Act, for appointment or changes, if any, of the directors and key managerial personnel of the company, as the case may be, with the Registrar of the Companies within a period of thirty days any such appointment or changes.

**REMOVAL OF DIRECTORS**

161)

(i) The Company may (Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any Directors before the expiry of his period of office.

(ii) Special notice as provided by Section 115 of the Act shall be given for any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.

(iii) On receipt of notice of a resolution to remove a Director under this article, the Company shall forthwith send a copy thereof to the Director concerned and the Director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.

(iv) Where notice has been given of a resolution to remove a Director under this Article and the director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the company shall, unless the representations are received by it too late for it to do so:

(a) in the notice of the resolutions given to members of the company, state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not send as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting, provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter and tribunal may order the company's cost on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(v) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the company in General Meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed,

Provided special notice of the intended appointment has been given.

A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(vi) If the vacancy is not filled, it may be filled as a casual vacancy in accordance with the provisions of the Act, in so far as they are applicable

Provided that the Director who was removed from office under these Articles shall not be reappointed as a Director by the Board of Directors

(vii) Nothing contained in this Article shall be taken:

(a) as depriving a person removed under these Articles of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a Director under other provisions of the Act.

**MANAGING DIRECTOR**

162) The Company shall not appoint or employ at the same time a managing director and a manager.

163) The Company shall appoint or re-appoint any person as its managing director, whole-time director or manager for term not exceeding five years at a time;

Provided that no re-appointment shall be made earlier than one year before the expiry of his term

164) Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in Part I of the Schedule V of the Act.

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.

165) The Company shall not appoint or employ, or continue the appointment or employment of a person as its managing director, whole-time Director or manager who:

(i) is below the age of twenty-one years or has attained the age of seventy years:

(ii) Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(iii) is an undischarged insolvent; or has at any time been adjudged as an insolvent;

(iv) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

(v) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

166) Subject to the provisions of the Act, where an appointment of managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.

167) The Board of Directors may appoint Managing or Whole Time Director, Director or Manager to manage the affairs of the company and/or a secretary or other officers for such remuneration and on such terms and conditions with the sanctions of the Board and or shareholders in General Meeting and also approved by the Central Government.

168) Notwithstanding anything contain under section 203 of Companies Act 2013 read with rules framed there under as applicable if any, the Managing Director shall also act as Chairman of the Company, Chairman of the Board Meetings and General Body Meetings of Members of the Company.

169) The Directors may appoint a Vice chairman of the Board of Directors to preside at meetings of the directors at which the chairman not be present and determine the period for which he is hold office.

170) All meeting of the Directors shall be presided over by the chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same or the chairman refuse to preside, the Vice-Chairman, if present, shall preside and if the Vice-Chairman be not present at such time or if the Vice- Chairman refuses to preside or if no Chairman or Vice Chairman has been appointed under the Article and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

171) The Directors may meet together as a Board for the conduct of business from time to time, and shall so meet at least four times in a year in such manner, that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit.

172) The participation of directors in a meeting of the Board may be either in person or through video conferencing of other audio visual means, as prescribed in the Companies (Meeting of Board and its Powers) Rules, 2014, which are capable of recording and recognizing the participation of the directors and recording and storing the proceedings of such meeting along with date and time.

173) The Secretary or any officer of the Company, by order of the Board, shall sent notice in writing of every Board meeting called, to every Director, not less than seven days before the meeting at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting;

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

174) The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed or if any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of them to be Chairman of such meeting.

175) The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within the Board, the meeting stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

176) A Meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these articles for the time being vested in or exercisable by the Board.

177) Subject to the provisions of Section 203 and 196 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

178) The Board shall exercise the following powers on behalf of the company by means of resolution passed at the meetings of the Board, namely:

(i) to make calls on shareholders in respect of money unpaid on the shares;
(ii) to authorise buy-back of securities under section 68 of the Act;
(iii) to issue securities, including debentures, whether in or outside India;
(iv) to borrow monies;
(v) to invest the funds of the company;
(vi) to grant loans or give guarantee or provide security in respect of loans;
(vii) to approve financial statements and the Board's Report;
(viii) to diversify the business of the company;
(ix) to approve amalgamation, merger or reconstruction;
(x) to take over a company or acquire a controlling or substantial stake in another company;
(xi) any other matter which may be prescribed under Companies (Meetings of Board and its Powers) Rules, 2014

Provided that the Board may, by a resolution passed at a meeting, delegate to any committees of directors, the managing director, the manager or any other principal officer of the company or in case of a branch office of the company, the principal officer of the branch office, the powers specified in clause (iv) to (vi) on such conditions As it may specify.

Provided further that, if any subject not considered above and subject to provisions of the Act, the Board may transact the business by passing resolution on circulation pursuant to Section 175 of the Act.

179) The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far the same are applicable thereto, and are not superseded by any regulations made by the Board under these Articles.

180) Save in those case where a resolution is required by Sections 161,179,188,203, and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be a valid and effectual as if it had been passed at a meeting of the Board or committee of the board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the directors, or to all the member of the Committee of the board as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them as are then in India or by majority of them as are entitled to vote on the resolution.

181) All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

182) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in book kept for that purpose with their pages consecutively numbered.

(i) Each page of every such book shall be initialled or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise.

(iii) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(iv) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings

(v) The minutes shall also contain:

(a) The name of the Directors present at the meeting; and

(b) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

(vi) Nothing contained in sub-clauses (i) to (vi) shall deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;

(a) is, or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

(vii) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

183) The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior to act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall exercise the powers as specified in section 180 of the Act only with the consent of the company by a special resolution in General Meeting, namely:

(i) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking.

(ii) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation.

(iii) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate to its paid-up capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

(iv) to remit, or give time for the repayment of, any debt from a director.

(v) contribute to bona fide chartable and other funds not directly relating to the business of the company or the welfare of its employees, any amount the aggregate of which, in any financial year, exceed five percent of its average net profits for the three immediately preceding financial years.

184) Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power;

(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay any charge to the capital amount of the Company and Commission or interest lawfully payable there out under the provisions of the Act;

(iii) subject to Section 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or otherwise acquisition to accept such title as the Directors may believe or may be advised to a reasonably satisfactory;

(iv) at their discretion and subject to the provisions of the Act to pay for any (property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in case of shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the company and its uncalled capital or not so charged;

(v) to secure the fulfilment of any contacts or engagement entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;

(vi) to accept from any members, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;

(vii) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

(viii) to institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;

(ix) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

(x) to make and give receipts releases, and other discharge for moneys payable to the Company and for the claims and demands of the Company.

(xi) subject to the provisions of Sections 179, 185 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

(xii) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(xiii) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts, and documents and to give the necessary authority for such purpose.

(xiv) to distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

(xv) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or of public and general utility or otherwise;

(xvi) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to depreciation fund, or to an Insurance Fund, or as a Reserve Fund, or sinking fund or any special fund to meet contingencies or to repay debentures or Debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the

Company and such for other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other then shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital monies of the company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation, fund, in the business of the company or in the purchase or re-payment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;

(xvii) to appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants of permanent temporary or special services, as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit. Also form time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clause shall be without prejudice to the general powers conferred by this sub-clause;

(xviii) to comply with requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with;

(xix) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards and to fix their remuneration;

(xx) subject to Section 179 of the Act, from time to time and at any time, to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorize the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.

(xxi) at any time and from time to time by power of Attorney under the Seal of the Company, to appoint person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, Directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of

persons whether nominated directly by the Board any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

(xxii) subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient;

(xxiii) from time to time to make vary and repeal by law for the regulation of the business of the Company, its officer and servants.

**CHIEF EXECUTIVE OFFICER, MANAGER, SECRETARY OR CHIEF FINANCE OFFICER**

185) Subject to the provisions of the Act:

(i) 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 thinks 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

186) 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.

**THE SEAL**

187)

(i) The Board shall provide a Common Seal for the purpose of the company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and provide for the safe custody of the seal.

(ii) 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 authorized by it in that behalf, and except in the presence of at least two directors or one director and the secretary or such other person as the Board may appoint for the purpose; and those two directors or one director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**DIVIDENDS AND RESERVES**

188) The company in general meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the company in general meeting may declare a smaller dividend.

189) 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.

190) No dividend shall be declared or paid by the company for any financial year except, Out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of schedule II of the Act, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that schedule and remaining undistributed, or out of both, provided that;

(i) The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

(ii) Where owing to inadequacy or absence of profits in any financial year, the company proposes to declare dividend out of the accumulated profits earned by it in previous year and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with Companies (Declaration and Payment of Dividend) Rules, 2014.

(iii) No dividend shall be declared or paid by the company from its reserves other than free reserves.

191) The Board of Directors of the Company may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

192)

(i) 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.

(ii) 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.

(iii) 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.

193) No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons and the Board may deduct from any dividend or interest 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.

194)

(i) 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.

(ii) No dividend shall be paid by the company in respect of any share therein except to the registered shareholder of such share or his order or to his banker and shall not be payable except in cash.

Provided that nothing in this Article shall be deemed to prohibit the capitalization of profits or reserves of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

195) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

196) 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.

197) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf In any scheduled bank, to be called "Unpaid Dividend Account". The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases. The company shall comply with the provisions the Act in respect of all unclaimed or unpassed dividend.

198) No dividend shall bear interest against the company.

**CAPITALISATION OF PROFITS**

199)

(i) The company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) 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.

(ii) 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:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(b) 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;
(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
(d) 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;
(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

200)

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) 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
(b) generally do all acts and things required to give effect thereto.

(b) The Board shall have power:

(a) 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
(b) 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;

(c) Any agreement made under such authority shall be effective and binding on such members.

**ACCOUNTS**

201) The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.

202) Where the Board decides to keep all or any of the Books of Accounts at any place other that the office of the company the Company shall within seven days of the decision file with the Registrar a notice in writing given the full address of that other place.

203) The Company may keep the books the accounts or other relevant papers in accordance with Section 128 of the Act, in electronic mode in such manner as prescribed.

204) The Company shall preserve in good order the Books of Accounts relating or period of not less eight year immediately preceding the financial year together with the vouchers relevant to any entry in such books of Account.

205) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized return made up to date at intervals of not more than three months are sent by the branch office to the Company at its office or other place in India, at which the company's Books of Account are kept as aforesaid.

206) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction; The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

207) 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.

208) No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board or by the company in general meeting.

209) The Directors shall from time to time, in accordance with Sections 129, 133 and 134 of the Act, cause to be laid before the company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.

210) A Copy of every Balance Sheet and Profit and loss account (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Companies Act, 2013 as the Company may deem fit, shall not less than twenty-one days before the Meeting a which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every person entitled thereto pursuant to the provisions of the Section 136 of the Companies Act, 2013 provided this Article shall not require a copy of the documents to be sent to any person of whose address the Company is not aware of or to more than one of the joint holders of any shares.

**AUDIT**

211) Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 145 of the Act.

212) The first Auditor or auditors of the company shall be appointed by the board within one month of the date of registration of the company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first annual general meeting:

Provided that the Company may, at a General Meeting remove and such auditor or all of such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nominated notice has been given to the members of the Company not less than fourteen days before the date of the meeting,

Provided further that if the Board fails to exercise its powers under this Article, the Company in General meeting may appoint the first Auditor or Auditors

Provided also that before such appointment is made, the written consent of auditor to such appointment and a certificate from him or it that the appointment if made, shall be in accordance with the conditions as prescribed, shall be obtained from the auditor.

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in section 141 of the Act

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the registrar within fifteen days of the meeting in which the auditor is appointed.

**DOCUMENTS AND NOTICES**

213)

(i) A document or notice may be served or given by the Company or any member either personally or sending its by post to him to his registered address, if he has no registered address in India, to the address, if any, in India supplied by him to the Company for serving documents of notice on him.

(ii) Where a documents or notice is sent by post, services of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice provided that where a member has intimated to the Company in advance that documents or notices should be sent him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be the manner intimated by the member and; such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

214) A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for serving of documents or the sending of notices to him.

215) A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice or on or to the joint-holders named first in the Register of members in respect of the share.

216) A document or notice may be served or given by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

217) Document or notices of every General Meeting shall be served or given in the same hereinbefore authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor of Auditors for the time being of the Company.

218) Every person whom by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he drives his title to such share.

219) Any document or notice to be served or given by the Company may be signed by a director or some person duly authorized by the Board of directors for such purpose and the signatures thereto may be written printed or lithographed.

220) All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or any officer at the office by post under a certificate of posting or by registered post or by speed post or by courier or by delivering at his office or address, or by such by electronic or other mode

**RECONSTRUCTION**

221) On any sale of the undertaking of the company the Board or the Liquidators on a winding-up may, if authorized by a Special Resolution accept fully paid or partly paid-up shares, debentures or securities of any other company whether incorporated in India or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of the cash shares or other securities, benefits or property otherwise than in accordance with the strict legal right of the member or contributories of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation the course of being wound up, such statutory right (if any) under of the Act as are incapable of being varied excluded by these Articles.

**WINDING UP**

222) Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(i) 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.

(ii) 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.

(iii) 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.

**INDEMNITY AND RESPONSIBILTY**

223) 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.

**SECRECY**

224) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so declaration pledging himself to observe strict secrecy regarding all customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board as by Court of Law and except so far as be necessary in order to comply with any; of the provisions of these presents constituted.

**GENERAL AUTHORITY**

225) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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## SECTION XIII: 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 our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India, from date of filing the Draft Red Herring Prospectus with RoC to Offer Closing Date on Working Days from 10.00 a.m. to 5.00 p.m.

### A. Material Contracts

a. Offer Agreement dated November 09, 2024 entered between our Company and the Book Running Lead Manager, the Promoter Selling Shareholder of the Offer.

b. Registrar Agreement dated November 09, 2024 executed between our Company, Promoter Selling Shareholder and the Registrar to the Offer.

c. Underwriting Agreement dated November 09, 2024 entered between our Company, Promoter Selling Shareholder and the Underwriter.

d. Market Making Agreement November 09, 2024 entered between our Company, Book Running Lead Manager and Market Maker.

e. Cash Escrow Agreement dated February 07, 2025 entered between our Company, the Book Running Lead Manager, Banker to the Offer/ Sponsor Bank and Registrar to the Offer.

f. Share Escrow Agreement dated March 07, 2025 entered between our Company, Promoter Selling Shareholder and Share Escrow Agent.

g. Monitoring Agency Agreement dated March 10, 2025 entered between our Company and the Monitoring Agency.

h. Tripartite agreement among the NSDL, our Company and the Registrar dated September 02, 2024.

i. Tripartite agreement among the CDSL, our Company and the Registrar dated August 28, 2024.

### B. Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.

2. Board resolution dated November 06, 2024 and special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on November 08, 2024.

3. Resolution dated November 14, 2024 passed by the Board taking on record the participation of the Promoter Selling Shareholder in the Offer for Sale and other matters.

4. Copies of Audited Financial Statements of our Company for the six months ended September 30, 2024 and the Financial Years ended March 31, 2024, 2023, and 2022.

5. Copies of the annual reports of our Company for the Fiscals 2024, 2023, 2022, 2021 and 2020

6. Peer Review Auditors Report dated March 12, 2025, on Restated Consolidated Financial Statements of our Company for the six-month ended September 30, 2024 and the Financial Years ended March 31, 2024, 2023, and 2022.

7. Statement of Possible Tax Benefits dated November 19, 2024 from the Peer Review Auditor included in this Red Herring Prospectus.

8. Certificate dated March 13, 2025 from the Statutory Auditors, with respect to our key performance indicators.

9. Resolution dated March 13, 2025 of the Audit Committee approving the Key Performance Indicators.

10. Consents of the Directors, Promoters, Promoter Selling Shareholder, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor holding Peer Review Certificate, Book Running Lead Manager to the Offer, Legal Counsel to the Offer, Bankers to our Company, Banker to the Offer, Registrar to the Offer, Underwriter, Market Maker, Share Escrow Agent & Monitoring Agency to include their names in the Red Herring Prospectus to act in their respective capacities.

11. Written consent dated November 06, 2024 from Adroit Associates acting through its proprietor Mr. Srinivas T. Ramappa, Independent Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and an "expert", as defined under Section 2(38) of the Companies Act 2013 in respect of cost assessment report issued by them in their capacity as an Independent Chartered Engineer and details derived therefrom as included in this Red Herring Prospectus.

12. Due Diligence Certificate from Book Running Lead Manager dated November 21, 2024.

13. Board Resolution dated November 21, 2024 for approval of Draft Red Herring Prospectus, dated March 13, 2025 for approval of Red Herring Prospectus, and dated [●] for approval of Prospectus.

14. Industry Report and consent letter issued by Ken Research Private Limited.

15. In-principle listing approval dated February 28, 2025 from the National Stock Exchange of India Limited for listing the Equity Shares on the Emerge Platform of the National Stock Exchange of India Limited ("**NSE EMERGE**").

Any of the contracts or documents mentioned in the 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Ramesh Siva**
**(Chairman & Managing Director)**
**DIN**: 02449456

Date: 13/03/2025

Place: Bengaluru

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

_____

**Vidya Ramesh**
**(Whole-time Director)**
**DIN**: 02127241

Date: 13/03/2025

Place: Bengaluru

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Deepthi Shiva**
**(Non-Executive Non- Independent Director)**
**DIN**: 08416405

Date: 13/03/2025

Place: Bengaluru

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

**Vishwanathan Swaminathan**
**(Non-Executive Independent Director)**
**DIN**: 00238629

Date: **13-03-2025**

Place: **Palampur, Himachal Pradesh**

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

S.C.Sekhar

**Chandrasekhar Sundaram**
**(Non-Executive Independent Director)**
**DIN**: 00024184

Date: 13/03/2025

Place: Bangalore

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statements, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

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

**Mithun Jayaraman**
**(Chief Financial Officer)**

Date: 13/03/2025

Place: Bengaluru

## DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Ramesh Siva, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus in relation to me, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

**SIGNED BY THE PROMOTER SELLING SHAREHOLDER**

**Ramesh Siva**
**Promoter Selling Shareholder**

Date: 13/03/2025

Place: Bengaluru