



(Please scan this QR Code to view this addendum)



SUBAHOTELS LIMITED

Corporate Identification Number: U99999GJ1997PLC120713

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

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

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

Contact Person: Sonam Aggarwal, Company Secretary and Compliance Officer

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

Corporate Identification Number: U99999GJ1997PTC120713

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

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 22, 2024 NOTICE TO INVESTORS (THE "ADDENDUM")

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

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

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND REGIONAL EDITIONS OF [●] NEWSPAPER, ([●] BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO SME PLATFORM OF BSE LIMITED ("BSE SME") FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

Potential Bidders may note the following: "DEFINITIONS AND ABBREVIATIONS", "RISK FACTORS", "GENERAL INFORMATION", "CAPITAL STRUCTURE", "OBJECTS OF THE ISSUE", "BASIS FOR ISSUE PRICE", "OUR BUSINESS", "HISTORY AND CERTAIN CORPORATE MATTERS", "OUR MANAGEMENT", "OUR PROMOTERS AND PROMOTER GROUP", "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS", "OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS" AND "GOVERNMENT AND OTHER KEY APPROVALS" have been updated in accordance with the suggestions made by NSE.

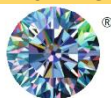
The below mentioned changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

The Equity Shares offered in the offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the law of any state of the United States, 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 (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

Place: Ahmedabad
Date: March 26, 2025

For and on behalf of Suba Hotels Limited
Sd/-
Sonam Aggarwal
Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER



UNISTONE

UNISTONE CAPITAL PRIVATE LIMITED
A/305, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai 400059, Maharashtra
Telephone: +91 98200 57533
Email: mb@unistonecapital.com
Website: www.unistonecapital.com
Investor grievance email: compliance@unistonecapital.com
Contact Person: Mr. Brijesh Parekh
SEBI registration number: INM000012449
CIN: U65999MH2019PTC330850

REGISTRAR TO THE OFFER



BIGSHARE SERVICES PRIVATE LIMITED
Address: S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400 093, Maharashtra, India
Telephone: 022-62638200
Facsimile: 022-63638280
Email: ipo@bigshareonline.com
Investor grievance e-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact person: Vinayak Morbale
SEBI Registration No.: INR000001385
CIN: U99999MH1994PTC076534

BID/OFFER PERIOD

- Anchor portion Opens/Closes on⁽¹⁾: [●] Bid/Offer Opens on⁽¹⁾: [●] Bid/Offer Closes on⁽²⁾: [●]
- (1) Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
 - (2) Our Company, in consultation with the BRLM, 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) 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

Offer Related Terms

Term	Description
Addendum	The addendum dated February 28, 2025 to the Draft Red Herring Prospectus.

SECTION II- RISK FACTORS

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

We derive a significant portion of our revenue primarily from Owned Hotels and revenue share and lease contributing approximately 32.38 % and 51.27 %, respectively for the financial year 2024, which includes *Room Revenue, Food & Restaurant Revenue, and Other Operational Revenue (such as travel desk and car rental services)*. On the other hand, the percentages of 26% and 42.95% specifically reflect the proportion of Room Revenue relative to the Total Operational Revenue. We have a total of 12 Hotels operating under the lease-revenue share model, and are supported by markets with high density demand in Tier – 1 cities like Bangalore, Chennai and Mumbai etc. This growth was primarily driven by factors such as increased corporate travel, a rise in wedding ceremonies, and increased demand for Meetings, Incentives, Conferences, and Exhibitions (MICE).

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

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

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

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

For further information on operating information pertaining to the above-mentioned hotels, please see “*Our Business –Business Operations*” of this DRHP on page 157. While we have not experienced any

significant disruptions or shutdown of hotels, including due to social, political or economic factors or natural calamities or civil disruptions, which may have impacted these hotels or regions. However, any such occurrences in the future may adversely affect our business, results of operation, cash flows and financial condition.

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

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

Owned Hotels	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue
Corporate and Leisure accounts	633.96	45.20%	552.58	43.51%	372.84	43.38%
OTA	232.69	16.59%	191.23	15.06%	122.19	14.22%
Income from FIT (Free Individual Traveller) [#]	535.84	38.21%	526.16	41.43%	364.45	42.40%
Total	1,402.49	100.00%	1,269.97	100.00%	859.48	100.00%

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

Leased Hotels	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue	Room revenue (₹ in lakhs)	As a % of Total Room Revenue
Corporate and Leisure accounts	619.81	27.60%	419.58	35.55%	160.08	23.60%
OTA	534.96	23.82%	342.47	29.01%	167.82	24.74%
Income from FIT (Free Individual Traveller) [#]	1,090.65	48.57%	418.37	35.44%	350.37	51.66%
Total	2,245.42	100.00%	1,180.42	100.00%	678.26	100.00%

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

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

from domestic tourists and guests at our leisure hotels, and our business may be adversely affected. We derive a significant portion of our revenue from large corporate key accounts.

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

5. Our company has not complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, regarding loans, investments, guarantees, and securities.

The company has failed to comply with Section 185 of the Companies Act, 2013, regarding the statutory filings required to be submitted to the Registrar of Companies (RoC) under applicable laws. This non-compliance pertains to the approval for borrowing funds and the loans granted by the company to its promoters, members of the promoter group, and group companies, as stipulated under Section 185, for the financial years 2018-19 to 2022-23. Regarding Section 186, although the company filed Form MGT-14 to seek approval for permissible limits, it has not adhered to Section 186(7), which requires that loans must not be provided at an interest rate lower than the prevailing yield on government securities with a tenor closest to that of the loan (one-year, three-year, five-year, or ten-year). At the time the loans and advances were granted, the amounts in non-compliance with the aforementioned sections were ₹60.88 lakhs, ₹43.82 lakhs, ₹58.42 lakhs, ₹393.04 lakhs, and ₹62.24 lakhs for the financial years 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23, respectively. The company, due to inadvertence and without intent, failed to comply with the provisions of Sections 185 and 186 of the Companies Act, 2013, as well as the relevant amended rules.

To address the aforementioned discrepancies, the company has filed an adjudication application through e-form GNL-1 before the Registrar of Companies (RoC) under Section 441 of the Companies Act, 2013, for non-compliance with Sections 185 and 186. As per the Companies Act, 2013, and the amended rules, a contravention of Section 185, the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees; every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees; and the director or the other person to whom any loan is advanced or guarantee or security is given or provided in connection with any loan taken by him or the other person, shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees, or with both. Similarly, in case of contravention of section 186, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

However, as of the date of this Draft Red Herring Prospectus, our company has complied with the provisions of Sections 185 by obtaining shareholders' approval via an Extraordinary General Meeting held on October 05, 2023, and the corresponding Form MGT-14 has been filed with the Registrar of Companies.

Although, no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

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

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

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

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

However, the deployment of the Gross Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

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

Our Statutory Auditors have included certain emphasis of matters:

As per our Audit Report as on March 31, 2024

Emphasis of matter

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

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

Qualification

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

Emphasis of matter

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

7. Note regarding change in useful life of certain assets, however no base supporting for increased useful life was provided.
8. Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

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

Zircon Hospitality Private Limited

1. Note regarding reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
2. Note regarding status of supplier classification under MSME and Non MSME as the company was still under the process of sending intimation to its creditors.
3. Note regarding the recognition of capital expense for ongoing Pitampur Project which was based upon estimated costs as per the managements judgement and the same being relied upon by previous auditors.

Hotel Suba Star Private Limited

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

Our Company is in process of establishing a systematic process for obtaining confirmations on short-term borrowings, trade payables, and other balances, while actively categorizing suppliers under the MSME Development Act. The management is also enhancing internal financial controls and implementing quarterly reconciliations for accurate financial reporting. Additionally, steps are being taken to upgrade the accounting software to include an audit trail. Furthermore, this emphasis of matter has no financial material implication on our company and its subsidiaries. However, we cannot assure you that any such type of audit reporting will not occur in the future against our Company.

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

Our company secured a loan of ₹ 17,04,10,000 from HDFC Bank on December 5, 2023. In connection with this loan, a charge was created over our properties located at Pithampur, Madhya Pradesh and Vadodara, Gujarat. However, we have not yet filed Form CHG-1 to officially register this charge. This delay arises because the properties that serves as security for the loan are still registered under the name of another company, Zircon Hospitality Private Limited (“**Zircon**”). Although the loan was transferred to our company pursuant to an NCLT order dated March 15, 2023, which led to Zircon being amalgamated with our Company, the formal transfer of ownership of the property to our company is completed, the bank has acknowledged the lease deed with our company's revised name. We have sent a reminder email to request an update on the filing of CHG-1. According to their response, there is an internal bank process for the Title Search Report (TSR). Once this process is completed, they will be able to proceed with the ROC filing to create the charge.

While we have received a letter from the bank attesting to the reasons in delay of filing Form CHG-1, the absence of a registered charge could expose our company to risks such as increased scrutiny from regulatory authorities, potentially leading to penalties or adverse actions. Further, this discrepancy may

also undermine investor confidence and create a doubt regarding our creditworthiness and ability to raise future capital.

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

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

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

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

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

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

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

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

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

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

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

Particulars	Financial Year 2024	Financial Year 2023	Financial Year 2022
Revenue from Operations (A) (₹ in lakhs)	5,227.65	3,503.30	2,017.70
(i) Opening Trade Receivables (1) (₹ in lakhs)	325.00	146.62	100.32
(ii) Closing Trade Receivables (2) (₹ in lakhs)	652.43	325.00	146.62
Average Trade Receivables (B = (i + ii)/2) (₹ in lakhs)	488.71	235.81	123.47
Trade receivables turnover ratio (in times) (C) = (A)/(B)	10.70 times	14.86 times	16.34 times
Debtors' days ^{#*}	34 days	24 days	22 days

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

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

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

*Round off to the nearest decimal.

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

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

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

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

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

Sr. No.	Financial Year	Forms	Particulars	Date of Event	Remarks
1.	2018-2019	Form BEN-2	Declaration of SBO	09-02-2019	The Form is currently in the process of being filed; however,

Sr. No.	Financial Year	Forms	Particulars	Date of Event	Remarks
					we are facing technical issue. A support ticket has been raised with MCA bearing ticket number FO_202408131829203, but the issue remains unresolved at this time.
2.	2021-2022	Form BEN-2	Change in SBO pursuant to transfer of ownership	03-08-2021	The Form is currently in the process of being filed; however, we are facing technical issue. A support ticket has been raised with MCA bearing ticket number FO_202408131829203, but the issue remains unresolved at this time.
3.	2023-2024	Form DPT-3	Return of Deposits for FY 2024	31-03-2024	The Form is currently in the process of being filed; however, we are facing technical issue. A support ticket has been raised with MCA bearing ticket number FO_202409191924509, but the issue remains unresolved at this time.
4.	2023-2024	Form BEN-2	Change in SBO	30-10-2023	The Form is currently in the process of being filed; however, we are facing technical issue. A support ticket has been raised with MCA bearing ticket number FO_202408131829203, but the issue remains unresolved at this time.

Sr. No.	Financial Year	Non-compliance mentioned in Auditors Report and Forms filed with ROC
1	2018-2019	The company has not complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
2	2019-2020	The company has not complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
3	2020-2021	The company has not complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
4	2021-2022	The company has not complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security. The terms and conditions & interest thereon has not been stipulated and no documentation has been provided and hence the Auditors are unable to comment upon the whether interest charged or not, prejudicial or not, etc.
5	2022-2023	The company has granted loans or provided any guarantees or given any security or made any investments to which the provision of section

Sr. No.	Financial Year	Non-compliance mentioned in Auditors Report and Forms filed with ROC
		185 and 186 of the Companies Act, 2013 are attracted and not complied with. Further, as represented by the company management, Auditor state that there are no written terms & conditions or written stipulation for loans & advances or Guarantee or Investments given and hence they are unable to comment upon the whether interest charged or not, prejudicial or not, etc.

For the abovementioned discrepancy Company has filed adjudication application vide e-form GNL-1 before ROC under section 441 of the Companies act, 2013 for non-compliance under section 185 and 186 of Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, there has been no penalties imposed on our Company; however, we cannot assure that there will be no penalties in the future. In the event of any cognizance being taken by the concerned authorities in respect of the above, actions may be taken against our Company and its directors, in which event the financials of our Company, Directors, Key Managerial Personnel, and if any officer in default may be affected.

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

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

(in ₹ Lakhs)

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in lakhs) *
Company						
By the Company	Nil	-	-	-	1	Nil
Against the Company	Nil	3	Nil	Nil	Nil	1.79
Directors***						
By the Directors	Nil	-	-	-	3	63.8
Against the Directors	Nil	1	-	Nil	Nil	0.23
Promoters						
By the Promoters	Nil	-	-	-	1	Not Quantifiable
Against the Promoters	2	17	Nil	Nil	1	3,641
Subsidiaries						

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in lakhs) *
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our Group Companies which may have a material impact on our Company#						
Outstanding litigation which may have a material impact on our Company	Nil					

*To the extent quantifiable.

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

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

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

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

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

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

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

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

results of operations and financial condition. For further details see “Our Group Companies” on page 206.

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

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

Details of all such delayed payments made to statutory/competent authorities:

Name of the statute	Nature of the Dues	₹ in Lakhs	For the Month	Due Date	Delay Period up to September 30, 2024
Income Tax	Withholding Tax	92.74	Mar-23	30-Apr-2023	519
Income Tax	Withholding Tax	0.01	Apr-23	07-May-2023	512
Income Tax	Withholding Tax	1.80	May-23	07-Jun-2023	481
Income Tax	Withholding Tax	2.43	Jun-23	07-Jul-2023	451
Income Tax	Withholding Tax	1.59	Jul-23	07-Aug-2023	420
Income Tax	Withholding Tax	2.10	Aug-23	07-Sep-2023	389
Income Tax	Withholding Tax	1.93	Sep-23	07-Oct-2023	359
Income Tax	Withholding Tax	1.97	Oct-23	07-Nov-2023	328
Income Tax	Withholding Tax	2.01	Nov-23	07-Dec-2023	298
Income Tax	Withholding Tax	1.97	Dec-23	07-Jan-2024	267
Income Tax	Withholding Tax	4.90	Jan-24	07-Feb-2024	236
Income Tax	Withholding Tax	4.31	Feb-24	07-Mar-2024	207
Income Tax	Withholding Tax	8.91	Mar-24	30-Apr-2024	153
	Total	126.68			

Name of the statute	Nature of the Dues	₹ in Lakhs	For the Month	Due Date	Delay Period up to September 30, 2024
Goods and Services Tax	GST	11.99	Mar-23	20-Apr-2023	529
Goods and Services Tax	GST	42.05	Mar-24	20-Apr-2024	163
	Total	54.38			

Additionally, there are outstanding payments for Professional Tax amounting to ₹0.54 lakhs and for the Provident Fund totaling ₹0.22 lakhs for the financial year 2023-24.

Firstly, the impact of the company's amalgamation and demerger in the 2022-23 financial year led to a prolonged process of changing its identity and updating its name across various licenses. These administrative changes took time, which contributed to delays in the payment of withholding taxes and GST payment. Secondly, the delay in GST payments primarily occurred because revenue was not generated on time from the franchise model hotels. This delay in revenue recognition/realisation impacted the timely payment of GST and lastly due to variations in employee availability across hotel premises. As a result, the timeline for resolving these compliance issues has been extended. However, to address the delayed payments, the company has engaged legal consultants to address and resolve the

issue, ensuring compliance with GST obligations moving forward and company is actively processing the outstanding dues. As of now, a payment of ₹44.56 Lakhs towards withholding tax has already been made. Also, the Board of Directors of our company has taken note of these delays in fulfilling our statutory and regulatory obligations, our company is currently discussion with the software team to develop a centralized branch accounting system to streamline financial processes. Also, we have appointed designated employees to oversee statutory requirements and timely compliance.

There can be no assurance that such defaults/ delays will not arise in the future. This may subject our Company and Subsidiaries to financial penalties and regulatory actions from respective government authorities which may adversely affect our business, financial condition and results of operations. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

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

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

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

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

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

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

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

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

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

26. Our success in large part depends upon our KMPs and employees with hospitality expertise, and if we are unable to recruit and retain such qualified and skilled employees, our business and our ability to operate or grow our business may be adversely affected.

Our success depends on the continued efforts of our KMPs and employees with hospitality expertise, and the loss of any such senior employee and the inability to find an adequate replacement may impair our relationship with key vendors and customers and our level of technical expertise, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

Our future success in the hospitality industry will depend on our ability to attract, train, and retain personnel. Our team must have the skills needed to uphold hygiene standards and follow established standard operating procedures. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, financial conditions, cash flows and results of operations. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people.

The table below sets forth our total employee attrition rate (calculated as total employees who left the organization in the relevant period divided by average number of employees (average of opening and closing headcounts of employees for the relevant year) during Financial Years 2024, 2023 and 2022:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Employee Attrition rate (%)	39.53%	34.15%	36.80%

Detailed below is YoY employee and KMP attrition of on-payroll employees at Suba Hotels broken into employee category wise:

Particulars	FY 2023-24	FY 2021-22	FY 2022-23
Number at Beginning of FY	402	307	371
Addition	573	198	163
Other Employees*	570	198	163
KMP	3	0	0
Resignation	214	134	132
Other Employees*	214	134	132
KMP	0	0	0
Number at Closing of FY	761	371	402

*Other Employees includes skilled and unskilled employees

Our inability to hire, train and retain a sufficient number of qualified employees could impair the success of our operations. This could have an adverse effect on our business, financial conditions, cash flows and results of operations. Our success also depends, in part, on key vendors and customers relationships forged by our senior management. If we were to lose these members of senior management, we cannot assure you that we will be able to continue to maintain key buyer and vendor relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

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

Our company is unable to trace documents pertaining to our filing of Form 1 of Trupti Caterers and Hospitality Private Limited. Our Company engaged practicing Company Secretary, M/s HRU &

Associates, to trace Form 1 for application and declaration for incorporation of the Company. Despite conducting both a physical search using SRN X62238621 on December 20, 2023, and an online search using SRN X37590650 on March 10, 2023, they were unable to retrieve the same.

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

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

The Company has obtained a loan from HDFC Bank, and in connection with this loan, we have received a No Objection Certificate (NOC) from the lender for IPO. The terms of our outstanding debt require us to comply with various covenants and conditions, such as maintaining certain financial ratios which are tested periodically. We are also subject to various covenants under our financing and novation agreements.

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

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

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

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

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

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

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of

which scenarios may affect the business operation and financial performance of the company. Further, the deployment of the funds raised in the issue will be entirely at the discretion of the management in accordance with applicable laws and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of see “*Objects of the Issue*” on page 95.

SECTION III – INTRODUCTION GENERAL INFORMATION

Monitoring Agency

Our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC, if required. For details in relation to the proposed utilisation of Net Proceeds, see the section titled “*Objects of the issue*” on page 95 of this Draft Red Herring Prospectus.

Statutory Auditor of our Company

Shah & Taparia, Chartered Accountants
Tel: 022 4211 6800

CAPITAL STRUCTURE

Equity Share Capital

We confirm that our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

Details of the Objects of the Issue:

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

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

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

We hereby confirm that the vendor/supplier of the disclosed objects are not related to issuer, promoter group, director and merchant banker.

We hereby remove the paragraphs of “Basis of Estimation” and “Growth Strategies” the same in this addendum and Red Herring Prospectus from this Chapter.

The Occupancy rate of all the Hotels disclosed under the Object are as follows:

Name of the Property	FY-23-24 Occupancy %	FY-22-23 Occupancy %	FY-21-22 Occupancy %
Hotel Suba Star Ahmedabad	80.26%	93.56%	76.63%
Click-Bhuj	68.10%	65.11%	60.93%
Click Hotel Nashik	73.75%	83.33%	75.58%
Hotel Suba Elite-Vadodara	70.30%	75.27%	66.38%
Click-Junagadh	65.90%	75.39%	84.50%
Click-Pithampur	54.58%	-	-

BASIS FOR ISSUE PRICE

1. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

Name Of the Company	For the year ended 2024						
	Face value (₹)	Revenue from operations	Basic EPS	Diluted EPS	P/E (based on Diluted EPS)	Return on net worth (%)	NAV per Equity Share (₹)
		(₹ in lakhs) ⁽¹⁾	(₹)	(₹)			
Suba Hotels Limited	10	5,227.65	5.61	5.61	[●]	27.71%	20.25
Peer Group							
Royal Orchids Hotels Limited	10	29,361.05	18.53	18.53	20.24	26.65%	69.55
Sayaji Hotels Limited	10	11,176.32	8.18	8.18	46.57	9.04%	90.49

Source: All the financial information for listed industry peers mentioned above is on Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the BSE website for the year ended March 31, 2024.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the BSE website on August 30, 2024, divided by the Diluted EPS.
2. Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus).
3. NAV is computed as the closing net worth divided by the outstanding weighted average number of equity shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 33, 155, 244 and 71 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

SECTION V-ABOUT THE COMPANY

OUR BUSINESS

Scheme of Amalgamation

Scheme of Amalgamation and Demerger of Zircon Hotels Private Limited (“Transferor I”), Zircon Hospitality Private Limited (“Transferor II”), and the demerged undertaking of Suba Palace Private Limited, namely, Hotel Suba Elite (“Demerged Entity”) of Suba Palace Private Limited (“Transferor III”) with Hotel Suba Star Private Limited (“Transferee”) (“Scheme”)

The date of filing scheme of the NCLT is October 09, 2022. Pursuant to an order dated March 15, 2023, the National Company Law Tribunal, Ahmedabad sanctioned a scheme of amalgamation under Sections 230 to 232 of the Companies Act 2013, whereby Transferor I, Transferor II, and the Demerged Entity amalgamated with our Company. The appointed date for the merger was October 31, 2020. Upon implementation of the Scheme, the entire undertaking of Transferor I, Transferor II, including all property, liabilities, duties and rights were transferred to and vested in Transferee. Pursuant to the Scheme, every shareholder of Transferor I will be allotted 119 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor I. Similarly, every shareholder of Transferor II will be allotted 58 fully paid-up equity shares of ₹10 each of the Transferee Company, for every 100 fully paid-up equity shares ₹10 each held by them in Transferor II. Further, The Demerged Entity shall stand demerged from the Transferor III and shall be transferred to the Transferee on a going concern basis.

Revenue classification based on revenue generated from B2B and B2C business:

Particulars	2023-2024 (₹ in lakhs)	% of total revenue	2022-2023 (₹ in lakhs)	% of total revenue	2021-2022 (₹ in lakhs)	% of total revenue
Revenue from B2B business	2,105.67	39.73%	1,377.93	39.15%	538.49	26.60%
Revenue from B2C business	3,193.94	60.27%	2,141.93	60.85%	1,485.85	73.40%
Total	5,299.61	100%	3,519.86	100%	2,024.34	100%

Number of rooms added over the past 3 Financial Years:

Rooms Added in F.Y.	2023-2024	2022-2023	2021-22
Revenue share & lease	274	86	84
Owned	38	0	124
Franchisee	281	2113	-
Management	327	256	66
Total	920	2455	274

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

Particulars	No. of rooms/ keys (March 2024)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
		Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation
Owned	202	1,402.49	26.83%	1,269.97	36.25%	859.48	42.60%
Managed	649	177.80	3.40%	49.92	1.43%	5.58	0.28%
Revenue share and lease	518	2,245.42	42.95%	1,180.42	33.69%	678.26	33.62%
Franchise	2394	676.55	12.94%	355.84	10.16%	-	-

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

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation	Revenue (₹ in lakhs)	As a % of revenue from operation
Owned	1,402.49	26.83%	1,269.97	36.25%	859.48	42.60%
Managed	177.80	3.40%	49.92	1.43%	5.58	0.28%
Revenue share and lease	2,245.42	42.95%	1,180.42	33.69%	678.26	33.62%
Franchise	676.55	12.94%	355.84	10.16%	-	-

The following table presents the revenue of hotels, along with their annual occupancy percentage and average operational revenue per room night sold:

Name of the Property	FY-23-24 Revenue (₹ in lakhs)	FY-23-24 Occupancy %	FY-22-23 Revenue (₹ in lakhs)	FY-22-23 Occupancy %	FY-21-22 Revenue (₹ in lakhs)	FY-21-22 Occupancy %	Avg. operational revenue per room night sale - 2023-24 (in ₹)	Avg. operational revenue per room night sale - 2022-23 (in ₹)	Avg. operational revenue per room night sale - 2021-22 (in ₹)
Hotel Suba Star Ahmedabad	462.63	80.26%	483.65	93.56%	289.10	76.63%	4,003	3,590	2,620
Click-Bhuj	304.87	68.10%	266.02	65.11%	175.28	60.93%	3,658	3,338	3,134
Click Hotel Nashik	385.86	73.75%	385.32	83.33%	263.80	75.58%	3,633	3,211	2,424
Hotel Suba	514.88	70.30%	505.02	75.27%	391.37	66.38%	4,152	3,804	3,343

Name of the Property	FY-23-24 Revenue (₹ in lakhs)	FY-23-24 Occupancy %	FY-22-23 Revenue (₹ in lakhs)	FY-22-23 Occupancy %	FY-21-22 Revenue (₹ in lakhs)	FY-21-22 Occupancy %	Avg. operational revenue per room night sale - 2023-24 (in ₹)	Avg. operational revenue per room night sale - 2022-23 (in ₹)	Avg. operational revenue per room night sale - 2021-22 (in ₹)
Elite-Vadodara									
Click Hotel Jaipur	276.75	82.80%	216.10	74.75%	118.98	52.95%	2,731	2,362	1,836
Click-Junagadh	335.89	65.90%	348.40	75.39%	286.99	84.50%	3,453	3,131	2,301
Click Hotel Bangalore	545.04	83.36%	484.40	89.34%	265.70	71.51%	4,657	3,862	2,646
Click Aurangabad	141.73	69.22%	392.15	76.14%	227.53	58.47%	3,792	3,179	2,402
Click-Morbi (Terminated)	9.39	7.52%	14.97	9.14%	-		2,124	3,715	-
Click By Suba Jamnagar	99.82	42.78%	18.07	13.73%	-		1,752	2,371	-
Click-Bareilly (Terminated)	225.36	42.96%	-		-		2,649	-	-
Quality Inn Elite Amritsar	119.30	62.66%	-		-		3,306	-	-
Click Sagar Plaza Chakan	227.74	52.45%	-		-		4,346	-	-
Click Vadodara Swastik	93.00	32.32%	-		-		2,642	-	-
Click Vadodara WHR	110.51	20.15%	-		-		3,731	-	-
Click-Pithampur	126.65	54.58%	-		-		3,393	-	-
Click Hotel Grand Square (Dubai)	468.29	89.53%	-		-		12,366	-	-

Name of the Property	FY-23-24 Revenue (₹ in lakhs)	FY-23-24 Occupancy %	FY-22-23 Revenue (₹ in lakhs)	FY-22-23 Occupancy %	FY-21-22 Revenue (₹ in lakhs)	FY-21-22 Occupancy %	Avg. operational revenue per room night sale - 2023-24 (in ₹)	Avg. operational revenue per room night sale - 2022-23 (in ₹)	Avg. operational revenue per room night sale - 2021-22 (in ₹)
Franchise Fees	674.10		355.84		-		-	-	-
Management Fees	177.80		49.92		5.58		-	-	-
Total	5,299.61		3,519.86		2,024.34				

Revenue classification based on revenue generated from its own brands and third party brands:

(₹ in lakhs)

Particulars	2023-2024	2022-2023	2021-2022
Own Brand	4,506.21	3,164.02	2,024.34
Third Party	793.40	355.84	-
Total	5,299.61	3,519.86	2,024.34

Business Strategy

3. Increase in sales and marketing team bandwidth

Sales and marketing are critical components of a successful hotel business, driving revenue and occupancy rates. In today's competitive landscape, hotels must effectively reach their target audience through both online and offline channels.

Online Travel Agents (OTAs) play a significant role in hotel distribution. Hotels need dedicated teams to manage their OTA partnerships, optimize listings, and monitor performance. A user-friendly website and mobile app are essential for direct bookings. Regular updates and promotions are crucial to attract and engage guests.

Further in Offline Sales, building strong relationships with corporate clients is essential for generating consistent business. Dedicated sales teams can focus on identifying and nurturing these relationships. The MICE (Meetings, Incentives, Conferences, and Exhibitions) market offers significant revenue potential. Hotels need dedicated teams to manage MICE inquiries, negotiate contracts, and deliver exceptional event services.

We intend to increase feet on street by employing industry professionals and team leaders to connect with the customers (Corporate, Leisure and MICE). We also intend to enhance our OTA management team. To enhance its sales and marketing capabilities, the company has appointed eight additional employees recently across various hotels in different regions. This strategic initiative aims to expand the team's bandwidth and improve operational efficiency, ultimately driving greater sales performance and market presence. By placing dedicated personnel in diverse locations, the company is better positioned to respond to regional market demands and foster stronger relationships with customers. We also intend to utilize technology to streamline operations and improve efficiency. We intend to leverage data analytics to track performance, identify trends, and make informed marketing decisions. We will also partner with other businesses, such as travel agencies, to cross-promote and reach a wider audience.

4. Deploy loyalty program

Investing in a loyalty program is a strategic decision for hotels seeking to drive business growth and enhance guest satisfaction. By offering exclusive perks, personalized experiences, and rewards, hotels can differentiate themselves in the competitive market, fostering customer loyalty and increasing revenue. Loyalty programs provide valuable data, improve customer engagement, and enhance brand reputation. Ultimately, they contribute to long-term profitability and sustainable growth. Key benefits of a loyalty program include increased customer retention, enhanced customer experience, better data collection, improved customer engagement, increased brand advocacy, competitive advantage, boosted direct bookings, enhanced revenue management, encouragement of ancillary spending, and stronger guest relationships. By implementing a well-structured loyalty program, hotels can reap these benefits and position themselves for long-term success.

We intend to launch the “Loyalty Program” to capitalize on the numerous benefits outlined above. By implementing a robust loyalty program, we aim to foster stronger relationships with our guests, encourage repeat business, and enhance their overall experience. Through personalized rewards, exclusive offers, and tailored communication, we will create a sense of belonging and loyalty among our guests. Additionally, the program will provide valuable data insights, enabling us to refine our marketing strategies and improve our services. Ultimately, the Loyalty Program will contribute to increased revenue, enhanced brand reputation, and long-term sustainability. The Company has established a partnership agreement with Hotel Zify dated September 30, 2024 to enhance its search engine optimization (SEO) efforts, which will facilitate the implementation of a comprehensive loyalty program. This collaboration aims to strengthen the Company’s online presence, attract more customers, and ensure a seamless user experience for the loyalty program, thereby fostering customer retention and engagement

Collaboration/third party agent

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

Owned Hotels:

(Bookings are in numbers, except percentages)

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

(Bookings are in numbers, except percentages)

Particulars (Owned Hotels)	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings	Bookings (no. of rooms)	As a % of Total Bookings
Online through	8,165	7.06%	8530	9.17%	7623	9.81%

travel agent (OTA)						
Bookings through own website	667	0.58%	505	0.54%	593	0.76%

Revenue share and lease:

(Bookings are in numbers, except percentages)

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

(Bookings are in numbers, except percentages)

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

Sales and marketing

Our sales and marketing team is responsible for driving revenue, increasing occupancy and rates. They also look after developing and implementing strategies to attract new guests, retain existing customers, and enhance the overall guest experience. As on August 31, 2024, our sales and marketing team comprises of 30 employees. The key function of the sales and marketing team encompasses direct sales, marketing, corporate and leisure sales, revenue management, Request for proposal for PAN India contracting, digital marketing and social media, public relations and customer relationship management.

Rate Contracting is a crucial aspect of hotels business, especially when dealing with corporates and travel agents. It involves negotiating and agreeing upon specific rates, terms, and conditions for room bookings. We regularly use Online/Offline line travel agents to increase our sales.

Intellectual property

For details related to intellectual property rights, please refer section titled “Government and other key approvals” on page 260 of this Red Herring Prospectus.

Properties[#]

Property Name	Details of Property	Date of Agreement	Validity	Actual use Owned / Leased	Purpose of properties	Details of the lessor/licensor/ seller
Hotel Suba Star Amedabad	Judges Bungalow Road, Near Akash Tower Bodakdev Ahmedabad, Gujarat 380 015	October 25, 2007	NA	Owned	Registered Office and Hotel unit	Niyant Association
Click-Bhuj	New Railway Colony Rd, Railway Area, Bhuj, Gujarat 370001	May 15, 2014	45 Years	Land on leased - structure owned	Hotel unit	Rail Land Development Authority
Click-Junagadh	Railway Station Rd, Compound, Saibaba Society, Junagadh, Gujarat 362001	May 15, 2014	45 Years	Land on leased - structure owned	Hotel unit	Rail Land Development Authority
Click-Pithampur	Sector No – 05, Commercial Plot Industrial Growth Centre, Plot No.05, Dist, Pithampur, :, Madhya Pradesh	July 01, 2019	30 Years	Land on leased - structure owned	Hotel unit	MPIDC
Hotel Suba Elite-Vadodara	Abbas Tyabji Rd, next to Parsi Agiari, Jayesh Colony, Fatehgunj, Vadodara, Gujarat 390002	June 10, 2014	NA	Owned	Hotel unit	M/s Sai Reality Developers
Click-Aurangabad	Survey no 197, Cidco, Aurangabad, Maharashtra-431003	October 30, 2019	9 Years	Lease & Revenue Share	Hotel unit	Rauf Sattar Pathan
Click Hotel Bangalore	No. 35, Down Town Park Sadahalli Gate, HAL Old Airport Rd, near ITC Factory, International, Bengaluru, Karnataka 562157	December 11, 2019	9 Years	Lease & Revenue Share	Hotel unit	Sufia Naz
Bengaluru-Biz	4, E Kadiganahalli, Hobli, Bharathinagar, Chikkajala, Bengaluru, Karnataka 562157	January 04, 2024	5 Years	Lease & Revenue Share	Hotel unit	Raineo ventures Pvt Ltd

Property Name	Details of Property	Date of Agreement	Validity	Actual use Owned / Leased	Purpose of properties	Details of the lessor/licensor/ seller
Tiger Den	Village -Patta Pani, Kaladhungi Haldwani Road , Tehsil kaladhungi , Bailprao Ramnagar ,Nainital Uttarakhand - 263140	March 20, 2024	9 Yrs	Lease & Revenue Share	Hotel unit	Winsper Hotels & Resort
Genx Mirzapur	1, Shivala Mahanth zila panchayat road sadar mirzapur Uttarpradesh - 231001	March 20, 2024	8.67 Yrs	Lease & Revenue Share	Hotel unit	M/S Mirzapur Developers Pvt. Ltd.
Click Hotel Nashik	Mumbai - Agra National Hwy opposite Orchid International, Chetana nagar, Nashik, Maharashtra 422009, Rane Nagar, Nashik, Maharashtra 422010	July 01, 2020	8 Yrs & 11 Months	Lease & Revenue Share	Hotel unit	Sunman Infrastructures Pvt Ltd
Click Sagar Plaza Chakan	Rajgurunagar - Khed, Pune - Nashik Hwy, near Toll Plaza, Chandoli, Maharashtra 410505	June 09, 2023	9 yrs 11 months	Lease & Revenue Share	Hotel unit	Sagar Plaza
Click Hotel Jaipur	Plot No: 549, Nr. LBS College of Pharmacy, Raja Park, Jaipur, Rajasthan 302004	August 21, 2020	9 yrs 11 months	Lease & Revenue Share	Hotel unit	Ayaan Associates LLP
Click Vadodara Swastik	BBC Tower Lane, Opp Vikram Hotel, Sayajigunj, Vadodara - 390001	April 03, 2023	9 yrs 11 months	Lease & Revenue Share	Hotel unit	Swastik hotel (Ashish Gupta)
Click Vadodara WHR	Bh Hanuman Temple, Vasna Bhayli Road, Vasna , Vadodara-390015	April 01, 2023	10 yrs	Lease & Revenue Share	Hotel unit	long stay apartment (Hareh shah)

Property Name	Details of Property	Date of Agreement	Validity	Actual use Owned / Leased	Purpose of properties	Details of the lessor/licensor/ seller
Click By Suba Jamnagar	Teen Batti Rd, Patrakar Colony, Jamnagar - 361001	May 28, 2022	5 yrs	Lease & Revenue Share	Hotel unit	Raman Morzaria / Daxa Morzaria/ Kush Morzaria
Click Hotel Grand Square	31 D Street Old Maktoum Hospital Road, Naif Road, Deira Dubai, UAE	August 16, 2024	15 months	Lease & Revenue Share	Hotel unit	Khalid Mohamed Dahi Saeed Almheiri
Lower Parel - (Corporate Office)	Marathon Nexgen innova, B2 - 1004, off ganpatrao kadam marg, lower parel west,, Mumbai, Maharashtra 400013	June 01, 2024	5 years	Rent from Promoters and Promoter group	Corporate Office	Mansur Mehta, Mubeen Mehta & Shabnam Mehta
Click Collection Jaipur	Plot 1-2 Motilal Atal Road Ganpati plaza road Jaipur, Rajasthan 302006	April 13, 2023	4 yrs 11 months	Lease & Revenue Share	Hotel unit	Pomros Hotel and Restaurant- Pyarelal Jat

* The property known as Quality Inn Elite Amritsar was initially operated under a Lease and Revenue Model. However, it was later switched to a Franchisee Model effective from December 01, 2024, as per the terms mentioned under Master Franchise Agreement and Asset Sale Agreement made with Choice Hotels Licensing B.V.

All the properties listed are operational hotel units, except for the property at "Lower Parel (Corporate Office)," which serves as the corporate office. All properties under lease and revenue share agreements are with third parties, except for the corporate office, which is owned by the promoter and promoter group. The Company confirms that the same was done at an arm's length basis in compliance with applicable laws.

Technology

Our critical business processes are supported by a full-fledged internal IT department. We have implemented third-party (IDS and Hotelogix) Property Management System (PMS) reservation systems for bookings across all our hotels and is supported by certain network and infrastructure programs, which assist us in recording customer reservations, profiles, preferences, billing details and payments, among other information. These products are integrated with programs that relate to matters such as payables, receivables and inventory. Our customers have increasingly utilized our internet-based booking solutions for making their bookings through various channels. Our corporate website also has options for offers and packages. Communication systems and surveillance systems are installed at all our hotels, which are supported by systems for internet, voice and virtual private networks procured from multiple service providers.

Our company relies on HotelLogix for data protection and disaster recovery. Their database backups are continuous and incremental, enabling quick restoration to any point within a 30-day retention period. Additionally, periodic backups can be performed and stored remotely upon request.

HotelLogix has a strategic plan in place to ensure business continuity during adverse or disruptive events, with systems designed to maintain operational services throughout such occurrences

For risk related to Technology, please refer “*Risk Factors-Risk Factor 50-Any failure of the information technology systems used in our operations could impair our ability to effectively provide services, which could damage our reputation and adversely affect our business and operations.*”

Human Resources

We have a dedicated team of experienced trainers who travel across the country to all our hotels and conduct training sessions with our frontend and backend staff to enable smooth operations. They are trained to follow hygiene standards by following our company approved standard operating procedure. This also helps in personal development and ensures loyalty. The indirect benefit to staff includes insurance policy for Mediclaim including accidental death, accommodation to staff with standard facilities, on duty food and also recognise staff with employee of the month and employee of the year.

The details of department wise number of employees are given here below:

Category	Employee
Management	5
Admin	35
Human Resources	3
Sales and Marketing	30
Accounts and Finance	27
Engineering	42
Security	26
F & B (Services)	75
Trainer	3
Front Office	75
Housekeeping	109
Others	224
Kitchen	107
Total	761

The table below sets forth our total employee attrition rate (calculated as total employees who left the organization in the relevant period divided by average number of employees (average of opening and closing headcounts of employees for the relevant year) during Financial Years 2024, 2023 and 2022:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Employee Attrition rate (%)	39.53%	34.15%	36.80%

Detailed below is YoY employee and KMP attrition of on-payroll employees at Suba Hotels broken into employee category wise:

Particulars	FY 2023-24	FY 2021-22	FY 2022-23
Number at Beginning of FY	402	307	371
Addition	573	198	163
Other Employees*	570	198	163
KMP	3	0	0
Resignation	214	134	132
Other Employees*	214	134	132
KMP	0	0	0
Number at Closing of FY	761	371	402

*Other Employees includes skilled and unskilled employees

KEY REGULATIONS AND POLICIES IN INDIA

We hereby remove heading Police laws and Fire Prevention laws from page no. 180 which was duplicated on page 177 and page 180 of DRHP.

HISTORY AND CERTAIN CORPORATE MATTERS

Major Events in the History of our Company

Calendar Year	Events and Milestones
2023	The composite Scheme of Amalgamation and Demerger which was approved by the National Company Law Tribunal, Ahmedabad
2024	The Company has acquired Click Rooms Hotel Management LLC

Agreements with Promoters, Key Managerial Personnel, Directors or any other employee

Except as disclosed in **Our Management - Employment or Service Agreement with our Director** on page 201. There are no agreements entered into by our Promoters, Key Managerial Personnel or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party

OUR MANAGEMENT

Brief profiles of our directors

Sunil Patel is an Independent Director of our Company. He holds a bachelor's degree in law from Mumbai University in the year 1985 along with a diploma in tax management from the Institute of Chartered Accountants of India in the year 1988. He has been associated with our Company since February 12, 2024. He possesses over 20 years of experience in accountancy and taxation. He was previously associated with A. F. Ferguson as Assistant Manager-Tax, Allana Group of Companies as Director – Finance. He oversees financial reporting and tax compliance of the Company.

Key Managerial Personnel

Below Sandeep Nanda's Profile we undertake to update the same.

The table sets forth our total employee attrition rate and YoY employee and KMP attrition rate, kindly refer "*Our Business - Human Resources*" on page no. 175 of Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Interests in other Entities

Mansur Mehta	Directorship/Shareholders/Partner /Authorised Representative	% of Interest
Onyx Hotels Private Limited	Director and Member	18.01%
Hotel Suba Palace Private Limited	Director and Member	99.95%
Coldrush Logistics Private Limited	Director and Member	27.62%
Suba Hospitality Private Limited	Director and Member	50%
Click Hotels Private Limited	Director and Member	99.95%
Suba Holdings Pte Limited	Director	-
Suba Hospitality FZCO	Authorized Representative	-
Mehta Roadlines (Partnership firm)	Partner	50%
1589 Hotels Private Limited	Member	10%
Suba Realty Private Limited	Member	50%

Mubeen Mehta	Directorship/Shareholders/Partner /Authorised Representative	% of Interest
Onyx Hotels Private Limited	Director and Member	17.59%
Suba Realty Private Limited	Director and Member	50%
Coldrush Logistics Private Limited	Director and Member	34.88%
Suba Hospitality Private Limited	Director and Member	50%
Click Hotels Private Limited	Director and Member	0.02%
Suba Holdings Pte Limited	Director	-
Mehta Roadlines (Partnership firm)	Partner	15%
Hotel Suba Palace Private Limited	Director and Member	0.02%
1589 Hotels Private Limited	Member	10%

**Mansur Mehta has resigned from Vistastays Private Limited and Mubeen Mehta has resigned from Tesc Logistics Solutions Private Limited.*

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled “*Capital Structure- Shareholding Pattern of our Company*” on page 90 of this Draft Red Herring Prospectus.

SECTION VI – FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

9. The extent to which business is seasonal

Our Company’s business is s is subject to seasonality. For further information, kindly check “Risk Factors” on page 40 in this Draft Red Herring Prospectus.

COMPARISON OF F.Y. 2024 WITH F.Y. 2023:

Revenue from Operations

The Company's revenue from operations in the financial year 2023-24 is ₹ 5,227.65 lakhs. This represents ₹ 1,724.35 lakhs or 49.22% increase compared to the previous financial year's revenue from operations of ₹ 3,503.30 lakhs. The increase is on account of organic as well as inorganic growth.

- Room income from ‘Revenue share and lease’ in the financial year 2023-24 increased by ₹ 1,065.00 lakhs or 90.22% as compared to financial year 2022-23 this is mainly on account of increase in 6 hotels under the category i.e. 12 hotels in 2024 compared to 6 hotels in 2023. In terms of rooms there was increase of 274 rooms as compared to 2023 i.e. 518 rooms in 2024 compared to 244 rooms in 2023.
- Room income from ‘Franchise’ in the financial year 2023-24 increased by ₹ 320.71 lakhs or 90.13% as compared to financial year 2022-23 this is mainly on account of increase of 281 rooms as compared to 2023 i.e. 2394 rooms in 2024 compared to 2113 rooms in 2023. Also, franchise operations were for entire year in 2024 as compared to 9 months in 2023.
- Room income from ‘Owned’ in the financial year 2023-24 increased by ₹ 132.51 lakhs or 10.43% as compared to financial year 2022-23 this is mainly on account of increase of 38 rooms as compared to 2023 i.e. 202 rooms in 2024 compared to 164 rooms in 2023.
- Room income from ‘Managed’ in the financial year 2023-24 increased by ₹ 127.88 lakhs or 256.15% as compared to financial year 2022-23 this is mainly on account of increase in property count i.e. 16 hotels in 2024 compared to 9 hotels in 2023. In terms of rooms there was increase of 327 rooms as compared to 2023 i.e. 649 rooms in 2024 compared to 322 rooms in 2023.
- Food & Restaurant income in the financial year 2023-24 increased by ₹ 47.78 lakhs or 7.99% as compared to financial year 2022-23
- Other Operating income in the financial year 2023-24 increased by ₹ 30.48 lakhs or 62.00% as compared to financial year 2022-23.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2023-24 reached ₹ 895.87 lakhs, marking a notable increase from ₹ 278.32 lakhs in the financial year 2022-23. In the financial year 2023-24, PAT constituted 16.90% of the total revenue, in contrast to 7.94% in the fiscal year 2022-23.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of organic and inorganic growth as below:

1. The growth in Room income in owned category in 2024 compared to 2023 is 10.43% organic growth in the room revenue from 5 owned hotels.
2. The growth in room income in Revenue share and Lease category in 2024 compared to 2023 is 90.22 % this is mainly on account of increase in 6 units under the category i.e. 12 hotels in 2024 compared to 6 hotels in 2023.
3. There is 90.13 % growth in revenue from franchisee operation in 2024 compared to 2023 the said growth is mainly on account of full year of Master Franchise operation compared to 9 months of 2023.

4. The revenue from property under management contract increased by 256.1547 % in 2024 compared to 2023 is mainly on account of increase in property count i.e. 16 hotels in 2024 compared to 9 hotels in 2023.
5. Acquisition of the UAE based 100 % subsidiary which is acquired in current financial year i.e. 2023-24.
6. There is increase in Avg. operational revenue per room night sale of hotels.
7. There is increase in Avg. Occupancy % of hotels

COMPARISON OF F.Y. 2023 WITH F.Y. 2022:

Revenue from Operations

The Company's revenue from operations in the financial year 2022-23 is ₹ 3,503.30 lakhs. This represents ₹ 1,485.60 lakhs or 73.63% increase compared to the previous financial year's revenue from operations of ₹ 2,017.70 lakhs. The increase is on account of organic as well as inorganic growth.

- Room income from 'Revenue share and lease' in the financial year 2022-23 increased by ₹ 502.16 lakhs or 74.04% as compared to financial year 2021-22 this is mainly on account of increase in 2 hotels under the category i.e. 6 hotels in 2023 compared to 4 hotels in 2022. In terms of rooms there was increase of 86 rooms as compared to 2022 i.e. 244 rooms in 2023 compared to 158 rooms in 2022.
- Room income from 'Franchise' in the financial year 2022-23 increased by ₹ 355.84 lakhs as compared to financial year 2021-22 this is mainly on account of franchise operations which started in 2023.
- Room income from 'Owned' in the financial year 2022-23 increased by ₹ 410.50 lakhs or 47.76% as compared to financial year 2021-22 this is mainly on account of increase in partly operational owned hotel.
- Room income from 'Managed' in the financial year 2022-23 increased by ₹ 44.34 lakhs or 794.87% as compared to financial year 2021-22 this is mainly on account of increase in property count i.e. 9 hotels in 2023 compared to 1 hotel in 2022. In terms of rooms there was increase of 256 rooms as compared to 2022 i.e. 322 rooms in 2023 compared to 66 rooms in 2022.
- Food & Restaurant income in the financial year 2022-23 increased by ₹ 178.50 lakhs or 42.55% as compared to financial year 2021-22
- Other Operating income in the financial year 2022-23 decreased by ₹ 5.74 lakhs or -10.46% as compared to financial year 2021-22.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2022-23 reached ₹ 278.32 lakhs, marking a notable increase from ₹ 142.76 lakhs in the financial year 2021-22. In the financial year 2022-23, PAT constituted 7.91% of the total revenue, in contrast to 7.91% in the fiscal year 2021-22.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to total income is mainly on account of organic and inorganic growth as below:

1. The room income from the owned hotels increased by 47.76 % in 2024 compared to 2023 this is mainly on account of increase in partly operational owned hotel.
2. The room income from the hotels on Revenue share & lease increase by 74.04 % in 2024 compared 2023 this is mainly increase in number of hotels under revenue share and lease in 2024 of 6 compared to 4 in 2022 and operational efficiency
3. The income from management fees from hotel under management contract increased by 794.8762% in 2023 compared to 2022 this is mainly on account of number of hotels increased to 9 in 2023 compared to 1 in 2022
4. There is increase in Avg. operational revenue per room night sale of hotels.
5. There is increase in Avg. Occupancy % of hotels.

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of below points:

1. *Increase in EBITDA Margin:*

(₹. in Lakhs)

Particulars	For the year ended on			
	March 31, 2024	% of Total Income	March 31, 2023	% of Total Income
Revenue from operation	5,227.65	98.64%	3,503.30	99.53%
Other income	71.96	1.36%	16.57	0.47%
Total Revenue	5,299.61	100.00%	3,519.86	100.00%
Cost of materials consumed	532.31	10.04%	409.51	11.63%
Employee benefit expenses	1,030.08	19.44%	502.35	14.27%
Other expenses	2,316.87	43.72%	1,711.80	48.63%
EBITDA	1,387.18	26.18%	874.69	24.85%
Finance cost	49.88	0.94%	25.74	0.73%
Depreciation & amortization expense	238.38	4.50%	265.52	7.54%
Profit Before Tax	1,132.08	21.36%	604.95	17.19%
Tax Expenses	236.21	4.46%	326.63	9.28%
Profit (Loss) for the Year	895.87	16.90%	278.32	7.91%

As observed from the table above, there is a marginal improvement in the EBITDA margin by 1.33%, mainly due to the expansion of business operations, i.e., an increase in revenue while keeping fixed/semi-variable costs the same. However, the finance cost as a percentage of revenue increased by 0.21%, resulting in a net increase in the PAT margin by 1.12%.

2. *Decrease in Depreciation and Amortization expense:*

- Revenue from operations increased by ₹1,724.35 lakhs in 2023-2024 compared to 2022-2023. This increase in operational revenue is majorly contributed by revenue models such as i) Revenue share and lease, ii) Franchise, and iii) Managed. These revenue models do not require major investment in fixed assets, i.e., the company successfully increased revenue without major increases in fixed assets. Thus, the depreciation expenses did not increase with the rise in operational revenue.
- The company follows the WDV method of accounting for depreciation, which relatively reduces the depreciation cost in the absence of major additions.
- As a result, the relative decline in depreciation expense as a proportion of revenue contributed to an increase of 3.04% in the PAT margin.

3. *Tax Expenses:*

- The company acquired a wholly owned subsidiary operating a hotel in Dubai, UAE, effective from January 2024. In the restated consolidated financial statement, the operational revenue from this subsidiary amounted to ₹467.96 lakhs and ₹322.65 lakhs as Profit Before Tax (PBT). The effective tax rate in INR is 6.63%, i.e., a tax provision of ₹21.41 lakhs, resulting in a PAT contribution of ₹301.24 lakhs. In contrast, PBT from Indian operations is ₹809.43 lakhs, with a corresponding tax provision of ₹214.80 lakhs, reflecting an effective tax rate of 26.54%.
- Thus, the lower effective tax rate for the UAE operations led to a significant reduction in overall tax expenses, contributing to a 4.82% increase in the PAT margin.

SECTION VII – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

I. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal Litigation

Mr. Abdul Majid Shaikh vs. Abhyudan Hotel and Real Estate Private Limited & Others which includes Mansur Mehta and Mubeen Mehta - C.C. No. 97/MISC.2017

Abdul Majid Shaikh (“**Complainant**”) filed a private case against Abhyudayan Hotel & Real Estate Private Limited and others *which includes Mansur Mehta and Mubeen Mehta* (“**Accused**”), alleging several serious offenses under various sections of the Indian Penal Code (IPC), including cheating, forgery, and criminal conspiracy. The case centers around a dispute over the ownership and development rights of a property located at CTS No. 17, Survey No. 22C, Hissa No. 4, Village Sahar, Andheri (East), Mumbai.

The Complainant claims to have purchased the property through a registered deed of conveyance and has been in possession of the property along with his family. However, the defendants, who are connected to the Raigadh Niketan Co-operative Housing Society Limited, allegedly obtained a commencement certificate and sanctioned plans from municipal authorities through fraudulent means, including misrepresenting their rights over the property. The complaint further alleges that the accused used forged documents to claim ownership and secure approvals for redevelopment, which infringed upon the complainant's property rights.

Despite a police inquiry under Section 202 of the Criminal Procedure Code (CrPC), which concluded with a report unfavorable to the complainant, the complainant filed a protest petition. The court allowed this petition, rejecting the police report and directing the complainant to provide additional evidence. The matter is currently pending and the next hearing date is November 13, 2024.

GOVERNMENT AND OTHER KEY APPROVALS

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS

b. Click Hotel Pithampur

B. Regulatory approvals of our Company

No	Nature of Registration/ License	Registration/License No.	Issuing Authority	Date of Issue	Date of Expiry
9	License under Food Safety and Standards Act, 2006	11424990000126	Food and Drugs Administration, Gujarat	October 08, 2024	October 07, 2029

e. Click Hotel Junagadh

4. Material Approvals or renewals for which applications are currently pending before relevant authorities:

No	Nature of Registration/ License	Issuing Authority	Application dated
2	License to use a lift (Click Hotel, Junagadh)	Office of the Deputy Chief Electrical Inspector & Chief Inspector of Lifts & Escalators	October 21, 2024

6. Material Approvals required but not obtained or applied for:

Not applicable

7. Material Approvals in relation to Our Subsidiary

CLICK ROOMS HOTEL MANAGEMENT L.L.C is Limited Liability Company - Single Owner (LLC - SO) incorporated on October 26, 2021 with Government of Dubai and it has been a wholly owned subsidiary of our Company, effective from January 01, 2024

Sr. No.	Nature of Registration/ License	Registration no.	Main License No.	Date of Issue	Date of Expiry
1	Commercial License	2160697	997201	October 26, 2021	October 25, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR

Sd/-

Mansur Mehta

Managing Director

Place: Mumbai

Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE WHOLE TIME DIRECTOR

Sd/-

Mubeen Mehta

Whole Time Director

Place: Mumbai

Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE EXECUTIVE DIRECTOR

Sd/-

Girish Bhatt

Executive Director

Place: Mumbai

Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR

Sd/-

Chandrashekar Payannavar
Independent Director

Place: Mumbai

Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR

Sd/-
Nidhi Shah
Independent Director

Place: Mumbai
Date: March 26, 2025

DECLARATION

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SIGNED BY THE INDEPENDENT DIRECTOR

Sd/-
Sunil Patel
Independent Director

Place: Mumbai
Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-

Darshan Shah

Chief Financial Officer

Place: Mumbai

Date: March 26, 2025

DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

Sonam Aggarwal

Company Secretary & Compliance Officer

Place: Mumbai

Date: March 26, 2025