



सहायक प्रबंधक / Assistant Manager,
निगम वित्त विभाग / Corporation Finance Department s
निर्गम एवं सूचीबद्धता प्रभाग - 2/ Division of Issues and Listing – 2
Tel. (Direct): 022 – 2075 2118
E-mail: anmolaa@sebi.gov.in

SEBI/HO/CFD/RAC-DIL2/P/OW/2025/2879/1
January 28, 2025

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India

Kind Attention: Mr. Arjun Mehra / Ms. Prachee Dhuri

महोदय, Sir,

विषय / Sub: Proposed IPO of Brigade Hotel Ventures Limited (BHVL / the Company/Issuer)

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं। भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और/या कंपनी रजिस्टार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to draft offer document in respect of the captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies /instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions

have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।**

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations / conditions contained in the Annexures before you file the offer document with the stock Exchange / ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [पंजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that

the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख October 30, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated October 30, 2024 in accordance with SEBI (ICDR) Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the Company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर/ स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/ within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर संदाय करना होगा।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the payment may be made by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने/ सब्सक्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter.

8. आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 दिवस के भीतर अपना उत्तर प्रस्तुत करें।

You are requested to submit your response within 15 days of the receipt of this letter.

Place: Mumbai


Anmola Agrawal

Annexure I

OBSERVATIONS

1. Please refer to our letter dated December 03, 2024, and the response from LM dated December 10, 2024 and all other correspondences dated December 31, 2024, January 09, 2025 and January 13, 2025 exchanged. Wherever the LM has undertaken to modify/delete/amend the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the updated Draft Red Herring Prospectus ("UDRHP")/Red Herring Prospectus ("RHP").
2. Regulation 24 (3) of SEBI (ICDR) Regulations, 2018, requires LM to exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosures in the offer document. In view of the same, LM is advised to ensure that:
 - i. The offer document shall not contain any information where no responsibility is taken by the LMs or the Issuer Company / Expert.
 - ii. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
3. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
4. Wherever the LM has mentioned "*Complied with*" or "*Noted for compliance*" or "*Complied with and noted for compliance*" or "*Complied with to the extent applicable*" or "*Complied with, to the extent applicable and noted for compliance*" or "*Complied with and noted for compliance, to the extent applicable*" in its replies, LM shall ensure that the same are duly complied with.
5. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
6. LM is advised to ensure that UDRHP is filed with SEBI not less than seven working days prior to submission of the draft price band advertisement.



7. LM is advised to ensure that UDRHP contains necessary updated disclosures justifying the offer price under Section “Basis for offer price”, “Risk Factors” etc., particularly emphasizing on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates, in quantitative terms, with corresponding suitable explanations so as to justify the offer price. (For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the SEBI (ICDR) Regulations, 2018 (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6 (2) of the SEBI (ICDR) Regulations, 2018.
8. LM is advised to ensure that the currency denomination is mentioned at all places.
9. LM is advised to refrain from using adjectives and replace the words such as largest, biggest, leading, etc. used at various places in the draft offer document.
10. LM is advised to take note of amendments to SEBI (ICDR) Regulations, 2018 dated November 21, 2022 with respect to Key Performance Indicators and ensure compliance with the same.
11. LM is advised to ensure that the company is in compliance of Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and submit an undertaking to this effect along with UDRHP.
12. LM is advised to ensure to disclose the observations across all pages/chapters where the same/similar matter is published in the DRHP. LM is also advised to ensure to take these comments into consideration and accordingly update the disclosure as part of their future/in process documents filed with SEBI.
13. LM is advised to ensure that in the entire DRHP, the language used is lucid, usage of abbreviations is limited, abbreviations to be used in the para, if already quoted in the same page /heading, any expressions, jargons or nomenclatures from other languages or not commonly used, are explained clearly at every place where they are used.
14. Cover Page - LM is advised to disclose the Face Value of shares under offer for sale on the cover page and all applicable places.
15. LM is advised to ensure and provide a negative disclosure that the selling shareholders shall not be involved directly/indirectly in any manner in the allocation and pricing of the equity shares of the issuer including through the IPO committee.
16. LM is advised to ensure compliance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our

Company held by our Promoter, shall be locked in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations, from the date of Allotment as minimum Promoter's contribution and the shareholding of our Promoter in excess of 20% of the post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

17. Pg. 21 - Under "Summary of the industry in which our company operates", LM is advised to state the actual data w.r.t contribution of travel and tourism sector in FY 2022 and 2023.

18. Pg. 23 - LM is advised to add a footnote with respect to reasons for drastic changes in Equity share capital and Instruments entirely equity in nature.

19. LM is advised to confirm and disclose that all transactions and agreements made by Brigade Enterprise Limited ('BEL'), the promoter, is in compliance with SEBI (LODR) Regulations, 2015 ("LODR"). Further, LM is advised to disclose any penalties/fines levied on BEL.

20. Objects of the Offer

20.1. Pg. 88 – LM is advised to disclose summary of financials of subsidiary i.e. SRP Prosperita Hotel Ventures Limited. Further, LM is advised to provide appropriate cross references to the financials of SRP Prosperita Hotel Ventures Limited.

20.2. Pg. 88 - LM is advised to ensure that repayment of loans are towards the mentioned loans under objects of issue only.

20.3. Pg. 88 - LM is advised disclose details of identified acquisitions and strategic initiative, wherein the same has been identified by the company, in UDRHP and Prospectus. Further, LM is advised to disclose details of interim use of funds and the probable date of completion the acquisitions.

20.4. Pg. 88 – LM is advised to disclose whether the company or promoter will incur the development cost / construction cost with respect to construction of hotel. If yes, what is the approximate time of completion and commencement of business for given property.

20.5. Pg. 93 – LM is advised to disclose the name of statutory auditor certify the utilization of loan for the purpose availed by material subsidiary.

20.6. Pg. 94 – LM is advised to disclose if the issuer has entered into any agreement with any hotel operator for the proposed hotel. If not, LM is advised to suitable incorporate risk factor with respect to the same.

20.7. Pg.94 - LM is advised to disclose the calculation of cost of acquisition paid to Hyderabad Metropolitan Development Authority Estate Management Unit (land

parcel measuring 9.71 acres at cost Rs. 6602.8 millions) by the promoter BEL *vis a vis* purchase consideration paid by issuer company to its promoter BEL for acquiring undivided share of land (1.35 acres at price Rs. 1,101.48 millions). Kindly provide reasons for increase in calculation, if any.

- 20.8. Pg. 95 - LM is advised to confirm that the Registered Valuer appointed by the company i.e. Mr. Er. Venkateshwarlu Jagini is independent and not related to company or promoter in any manner.
- 20.9. LM is advised to ensure that the valuation report has been included in the material contracts and documents for inspection.

21. Risk Factors

- 21.1. Every risk factor shall be provided with a cross-reference to the detailed description of the facts / reasons in the DRHP, wherever applicable. (ii) In all risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately in tabular format. (iii) LM is advised to include past instances of occurrence of the risk in the last three years. (iv) LM is advised to ensure that disclosure of risk factors are based on materiality and provide adequate information. (v) LM is advised to give exact cross reference of the main content in the risk factors
- 21.2. (i) LM is advised to provide a separate risk factor with respect to high debt to equity ratio (ii) LM is advised to mention the debt equity ratio for past three years and stub period and expected debt equity ratio after repayment of loans from the issue proceeds. (iii) LM is advised to mention finance cost incurred over the past three years and stub period in absolute terms and percentage of total expenses.
- 21.3. LM is advised to provide a separate risk factor with respect potential conflict of interest / possible adverse effect on the business with respect to memorandum of agreement entered with its promoters / promoter group/ group companies/ directors for purchase of land at multiple locations (refer page 200) . LM is advised to provide the same with data in a tabular format in the said risk factor.
- 21.4. LM is advised to provide a separate risk factor with respect impact/implication of any adverse change in relationship with BEL (promoter) that could have an adverse impact on the business, reputation, financial condition and results of the issuer company.
- 21.5. LM is advised to provide a separate risk factor that the issue proceeds shall be utilised towards (i) payment of consideration to the promoter, BEL (ii) Repayment of borrowings availed by material subsidiary of the issuer company i.e. SRP Prosperita Hotel Ventures Limited.
- 21.6. LM is advised to provide a separate risk factor that the net proceeds shall be utilized for repayment of loan for both the Issuer Company and its subsidiary.

- 21.7. LM is advised to disclose a separate risk factor that the company acquires some material and procures some services through the promoters which are crucial for the operation of the company. LM is advised to also disclose data in respect of the same.
- 21.8. LM is advised to provide a separate risk factor in top 25 with respect that even after actual acquisition of land parcel, the Company will have to incur additional expense towards construction of building which will be carried out by the promoter. Further, the Company shall earn revenue or profit only after commencement of hotel. There is also possibility delay in completion and commencement of business operations.
- 21.9. RF 5 - LM is advised to reference of term NA in the table as a footnote. Further, in order to bring clarity the LM is advised to review the table headings.
- 21.10. RF 10 – LM is advised to disclose data with respect to amount paid to the agents.
- 21.11. RF 12 - LM is advised to provide substantiating data with respect to seasonal fluctuations of business e.g. quarter wise revenue, Profit and Occupancy rate etc.
- 21.12. RF37 - LM is advised to place the said risk factor in top 15.
- 21.13. RF 22- LM is advised to update the risk factor with respect to possible conflict of interest due to transfer of business opportunities within other group entities than being pursued by the issuer company. Further, LM is advised to provide details of promoter, entities in promoter group, group companies, directors, subsidiaries that are in same line of business in the issuer company in a tabular format. LM shall additionally disclose the following:
- a. The related business transactions within the group and their significance on the financial performance of the issuer
 - b. If any of the other group companies/subsidiaries/associate companies has business interests in the issuer then the amount of commercial business that the said company has /proposes to have with the issuer (To be quantified). If no, a distinct negative statement may be incorporated to this effect.
22. Pg. 166 – LM is advised to provide information (cost involved, timelines for completion, location of projects etc.) on development of upcoming projects.
23. Pg. 167 – LM is advised to disclose Occupancy Rate and Staff to Room ratio for each property held by the Company. Further, LM is advised to provide separate risk factor with respect to property wise occupancy.
24. Pg. 177 – LM is advised to disclose month of opening of Ibis Styles Mysuru in the given table. Further, LM is advised to disclose reason for gap between tenure start date and month of opening for Sheraton Grand Bangalore at Brigade gateway. LM is advised to provide suitable risk factor (along with relevant data) with respect to delay in operations of the respective property.



- 25.Pg. 187 – LM is advised to disclose any payment or royalty being paid to Brigade Enterprise Limited with respect to use of “Brigade” trademark.
- 26.Pg. 195 – LM is advised to clearly disclose details of hotels acquired from promoter through Scheme of Arrangement and hotels that have been constructed/ developed by the Issuer company. In case the entire existing chain of properties were acquired through the Scheme of Arrangement from the promoter, LM is advised to clearly mention the same.
- 27.Pg. 197 – LM is advised to provide details of all projects, which have experienced delays in completion of construction of projects from the initial estimated date.
- 28.Pg. 198 – LM is advised to disclose details of property held by the subsidiary company i.e. SRP Prosperita Hotel ventures Limited.
- 29.Pg. 198- LM is advised to provide complete particulars i.e. history and background, highlights of audited financial statement for past three years, details of directors, Equity share capital, Reserves (excluding revaluation reserve), Sales, Profit After Tax (PAT), Earnings Per Share (EPS) Net Asset Value (NAV), name of statutory auditors etc.
- 30.Pg. 199 – LM is advised to confirm and disclose any instance of issuance of equity shares in the past by the SRP Prosperita Hotel ventures Limited to more than 49/200 investors in violation of:
- a. Section 67(3) of Companies Act, 1956; or
 - b. relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
 - c. the SEBI Regulations; or
 - d. the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable
- 31.Pg. 200 – LM is advised to disclose details i.e. schedule of completion, source of funds for balance payment, expected date of business commencement, agreement with Hotel operator engaged etc. with respect to key material agreement entered by our Company.
- 32.Pg. 204 – LM is advised to disclose area and number of years of experience for all directors. Further, LM is advised to mention any past position/ employment held by the director in companies similar to business of the issuer company.
- 33.Pg. 215 - LM is advised to confirm and disclose compliance with Companies Act provisions with respect to payment of consideration by group Companies to KMPs Mr. Ananda Natarajan and Mr. Akanksha Bijawat.

34. Pg. 292 - LM is advised to explain YoY rise 139% in revenue from FY 2021-22 to FY 2022-23 and 14% YoY rise from FY 2022-23 to FY 2023-24.
35. Pg. 308 – LM is advised to review the Management and Discussion Analysis section and ensure that reasons for significant changes in items of income and expenditure has been clearly explained.
36. Pg. 327 – LM is advised to review the disclosure of litigation number 5 (material litigation by our promoter) to clearly bring out the facts of the case.
37. Pg. 331 - LM is advised to disclose details if any material statutory clearances and approval are yet to be received.

38. Industry overview

- 38.1. LM is advised to include the industry report the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
- 38.2. LM is advised to avoid using the following paragraph (including content of similar nature) in the Offer document - "Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured". It may be mentioned that, in terms of Regulation 70(3) of SEBI (ICDR) Regulations, 2018, it is obligatory on the Lead Manager to perform necessary due diligence on the entire draft offer document, including the information provided under Industry Reports; and to ensure that the information provided in the DRHP is current, reliable and complete in all aspects, before submitting the offer document to SEBI.
- 38.3. LM is advised to ensure that the Horwath HTL Report relied upon while making disclosures in the draft offer document is included among the material contracts and documents for inspection. Furthermore, wherever (each instance) data from various reports have been used in support of disclosures made in the offer document, LM is advised to clearly qualify the source of such disclosures.

39. History and Certain Corporate Matters

- 39.1. LM is advised to disclose if any of the selling shareholder are related to each other directly/ indirectly in any manner. If not, a negative confirmation to this effect should be disclosed in the relevant sections of the offer document.

- 39.2. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section 'History and certain corporate matters'.
- 39.3. LM is advised that a categorical statement from the issuer/promoter / promoter group / shareholder, may be provided that there are no other agreements, inter-se arrangements, any other agreements of like nature etc. other than disclosed in the DRHP. Further, confirmation may be provided that all the clauses / covenants which are material have been disclosed (in terms of the agreements already disclosed in the document) and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders other than disclosed in the DRHP.
- 39.4. The LMs shall confirm to SEBI that they have gone through the agreements / inter-se agreements etc. as disclosed in the DRHP and they also do not see any clauses / covenants which are material, which need to be disclosed and have not been disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders.
- 39.5. LM is advised to disclose that AoA are in consonance with the Companies Act and the SEBI Act and regulations thereunder and that the Articles are meeting the requirements as laid down in the law and there are no special rights in any manner to any person.
40. LM shall ensure that the main/sub-headings in the UDRHP/RHP shall not have any abbreviations. The main/sub-headings shall be in fully expanded form with its abbreviations in brackets.
41. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
42. LM is advised to ensure that requisite steps are taken by the Company to comply with the compliance requirements pursuant to the listing including corporate governance norms, disclosure requirements, transactions with related parties, etc. as specified under SEBI (LODR) Regulations, 2015.
43. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities is made in the UDRHP/RHP.
44. With respect to all the complaints received by LM / Company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant

disclosures of the same are made in the Red Herring Prospectus and other Offer related material along with its financial impact, if any.

45. LM is advised to include details of RPTs and RPTs as a percentage of revenue at relevant section of the offer document with updations, if any.

46. Outstanding Litigation and Material Developments

46.1. LM is advised to identify and include risk factor for material litigation, if any, which may adversely affect the company.

46.2. LM shall update the details of the status of litigation with the latest/ updated position of litigations against promoter/ promoter group entities/ company and the companies promoted by the issuer.

46.3. LM is advised to ensure the disclosure of all actions taken by the statutory and regulatory authorities.

46.4. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate Risk Factors in this regard.

47. Government and other approvals

47.1. LM is advised to disclose impact of any pending approval from Government and other authorities on financials and operations of the company. Further, please quantify the impact of non-approval, if any, if possible.

47.2. LM is advised to clearly disclose whether all approvals, which are required to be sought in relation to the business of the company, are in place. If no, LM is advised to include a separate risk factor with respect to the same.

47.3. Further, LM is advised to include and suitably update the details of pending licenses / approvals and permits (expired or under renewal) from statutory and regulatory authorities.



48. Financial information

- 48.1. LM is advised to ensure that the financial information provided in UDRHP/RHP is not more than 6 months old from the issue opening date.
- 48.2. LM is advised to ensure that Restated Consolidated Financial Statements are prepared as per relevant Indian Accounting Standards and calculation of Operating Profit to check the eligibility under Regulation 6 of SEBI (ICDR) Regulations, 2018 are in line with established practices.
49. LM is advised to provide justification to be disclosed in the price band where the PE is more than the industry average.
50. The LM is advised to ensure that the disclosures in abridged prospectus and front cover page of the offer document are in compliance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
51. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

- i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."*
- ii. Any adverse data in the basis for issue price should be disclosed. For example:*
 - *"The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*
[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]
 - *"Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*
 - *"Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed] %."*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further

advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed. LM is also advised to ensure that the Price Band advertisement shall contain risk factors related to business and financials.

52. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for comments, if any.

53. LM is advised to ensure compliance with the below email advisory sent to AIBI through email dated November 13 and November 15, 2021 and amendment to SEBI (ICDR) Regulations, 2018 dated November 21, 2022:-

- LM shall ensure that all issuer companies filing offer document should provide - Price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format – name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.*
- The portion pertaining to “Risks to Investors” shall constitute at least 33% of the price band advertisement space.*
- The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years, 18 months and 1 year, from the date of RHP, in the following format :*

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in Rs.)
Last 1 year			
Last 18 months			
Last 3 years			

Range of acquisition should show lowest price of acquisition excluding gift/bonus.

- The font size for price band and “Risk to investors” should be increased to match the font of BID/Offer Programme.*
- Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/ Offer Programme and other offer details, and can be of smaller font.*



The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.

54. LM is advised to suitably incorporate the comments of the stock exchanges, if any, in the UDRHP/RHP.

55. LM is advised to ensure that the issuer shall be in compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the relevant competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have an effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Sub-Regulation 9(a) of Regulation 25 of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.



9. ASBA:

- 1.1. LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.
- 1.2. LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA *

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application!!!

Mandatory in public issue. No cheque will be accepted



now available in ASBA for retail individual investors.

**ASBA is a better way of applying to issues by simply blocking the fund in the bank account.*

For further details check section on ASBA below."

- b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*

