



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

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सेबी/सीएफडी/RAC-डीआईएल1/P/OW/2024/39731/1  
SEBI/HO/CFD/RAC-DIL1/P/OW/2024/39731/1

**JM Financial Limited**

7<sup>th</sup> Floor, Cnergy Appasaheb  
Marathe Marg, Prabhadevi,  
Mumbai – 400 025  
Maharashtra, India

**Kind Attention: Mr. Arjun Mehra/ Ms. Rashi Harlalka**

Sir/ Madam,

**विषय /Sub: Schloss Bangalore Limited का प्रस्तावित आईपीओ /Proposed IPO of Schloss Bangalore Limited**

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनिमय 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 विनिमय 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 रजिस्ट्रार 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 the draft offer document in respect of 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 Annexure 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 [पैजि का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) 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 विनियम बोर्ड (मर्चेन्ट बैंककार) विनियम, 1992 [सेबी (मर्चेन्ट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते

जाने के संबंध में तारीख September 20, 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 September 20, 2024, in accordance with SEBI (Merchant Bankers) Regulations, 1992.

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 चेक जारी 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 cheque may be issued 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 उत्तर अपना भीतर के दिवस 15 प्रस्तुत करें।  
You are requested to submit your response within 15 days of the receipt of this letter.

स्थान /Place: मुंबई /Mumbai

Poonam  
26/12/24

Poonam  
सहायक प्रबंधक  
Assistant Manager

**Annexure I**  
**OBSERVATIONS**

1. Please refer to our letter dated October 14, 2024, and your reply vide letters dated October 21, 2024, December 10, 2024, December 16, 2024 and email dated November 29, 2024 and all other correspondences exchanged.
2. In the above regard, LM is advised to ensure that the changes made pursuant to our initial clarifications and all correspondences exchanged are duly incorporated in the updated DRHP/ RHP/ Prospectus.
3. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the updated DRHP/ RHP/ Prospectus.
4. Wherever the LM has mentioned "Noted for compliance" or "Complied with and noted for compliance" in its replies, LM shall ensure that the same are duly complied with.
5. With regard to disclosing details of lead manager(s) on front outside page of draft offer document and the offer document, LMs are advised that all lead manager(s) are uniformly to be identified as Book Running Lead Manager(s) (BRLMs) without making any differentiation between lead manager(s). Lead Manager(s) / BRLMs, term is as per SEBI (ICDR) Regulations, 2018. Details regarding BRLMs acting as Global Coordinators / Joint Global Coordinators may be provided at section on inter-se allocation of responsibilities in the draft offer document and the offer document.
6. LM is advised to ensure that the following details are provided in the UDRHP/RHP - Price at which specified security (including preference shares) 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.
7. LM shall ensure compliance with enhanced disclosures in the Price band advertisement as per advisory issued to AIBI vide email dated Nov 15, 2021.
8. Summary of the Offer Document- Simple conversational language to be used. No abbreviations shall be used.
9. Definitions and Abbreviations- for Technical, Company / Industry related Terms or Abbreviations, along with the expanded form, suitable meaning / explanation to be provided in simple language.





10. Risk Factors – Every Risk Factor shall be provided with a cross-reference to the detailed description of the facts/reasons in the updated DRHP / RHP, wherever applicable.
11. Sequencing of the chapters in the offer document shall be strictly in terms of the Schedule VI of SEBI (ICDR) Regulations, 2018.
12. Clause 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 BRLMs 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.
  - iii. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
13. LM shall confirm whether there has been a change in auditor(s) before completion of the appointed term (in any of the past five fiscal years), and the reasons thereof.
14. The risk factors, to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.
15. LM is advised to delete/ modify the statement, “*We are India’s only institutionally owned and managed pure-play luxury hospitality company*” as the disclosure is narrow in scope. (Page 15 and 192)
16. LM is advised to disclose specified Objects for which Pre-IPO proceeds shall be utilized by the company. Further, disclose that utilization of Pre-IPO proceeds for the stated object shall be monitored by monitoring agency.
17. LM is advised to ensure that relevant data is disclosed in Risk factors for the material subsidiaries for which IPO proceeds are proposed to be utilized, as applicable.
18. When disclosing the status of government approvals in the Risk Factors, LM is advised to include a cross reference with specific page numbers to other sections



where the disclosures are made. If approval has a validity, the same shall be mentioned. Consequences of withdrawal of licenses/approval shall be provided.

19. LM is advised to rearrange the risk factors in order of importance/ materiality.
20. Risk Factor 2: LM is advised to disclose a single table for disclosure of operational performance metrics for 5 owned hotels for last 3 FY. LM is advised to disclose full form of TPRPL in the risk factor. Further, LM is advised to ensure abbreviations are used in a risk factors only when it is already defined once in the same section/ page.
21. Risk Factor 3- LM is advised to disclose losses of the material subsidiaries for last 3 Financial Years (FY) and stub period.
22. Risk Factor 4- LM is advised to disclose whether material subsidiaries of the company have had negative cash flows in the last 3 FY and stub period.
23. Risk Factor 5- LM is advised to disclose whether material subsidiaries of the company have had negative net worth in the last 3 FY and stub period.
24. In reference to new risk factor proposed to be disclosed with heading, "*Our Business and operations may be impacted by litigations to which we are not parties*", LM is advised to revise the heading to disclose names of properties which may be impacted by such litigations.
25. Risk Factor 7: LM is advised to disclose the details of borrowings, and finance costs as percentage of total turnover in heading of risk factor. Further, disclose details of debt-equity ratio and debt service coverage ratio for last 3 FY in the risk factor. LM is advised to disclose details of indebtedness of material subsidiaries of the company for the last 3 FY and stub period.
26. Risk Factor 8: LM is advised to move the risk factor to top 5. Further, disclose details of secured borrowings along with corresponding security interests for the company and material subsidiaries in a tabular format. Also, disclose impact on company/ subsidiaries due to non-payments/ invocation of security interests by lenders. Further, LM is advised to disclose the details of major restrictive covenants and risk involved in the same to prospective investors.
27. Risk Factor 9: LM is advised to confirm/ disclose that the lock-in provisions shall be complied given the disclosures regarding the pledge of shares.
28. Risk Factor 10- LM is advised to disclose details wherever the contingent liabilities pertains to any material subsidiary of the company.
29. Risk Factor 12- LM is advised to disclose details wherever the delays pertain to any material subsidiary of the company.



30. Risk Factor 13: LM is advised to disclose operational and financial performance of acquisitions, JVs, and investments made by company in last 3 FY. Further, LM is advised to disclose *"complaints filed with the SEBI and the appeal filed before the Securities Appellate Tribunal by such minority shareholders..."* as separate Risk Factor along with possible impact of the same. Further, update the status of complaints filed by minority shareholders as disclosed in risk factor along with any possible impact of such complaints/ proceedings on the company. LM is advised to disclose the details of pending approvals / consents as mentioned therein in tabular format. Further, disclose the risk of non- receipt of same as separate Risk Factor.
31. Risk Factor 20: LM is advised to disclose financial data for last 3 FY to substantiate the statement, *"Our revenues are generally higher during the second half of each financial year...."*, and *"Such seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and earnings....."*.
32. In reference to new risk factor proposed to be disclosed with heading, *"We are subject to competition risks relating to our serviced apartments and branded residences"*, LM is advised to revise the heading to disclose all types of risks (including competition risks) that may be associated with such business.
33. Risk Factor 27: LM is advised to disclose percentage of loss allowance as a percentage of total trade receivables for last 3 FY.
34. Risk Factor 41: LM is advised to disclose that expenditure incurred for developing brands/ new offerings in last 3 FY is not available with company. Further, LM is advised to disclose description of each brand/ offering, date of launch of such brand/ offering, location, cost incurred and their financial performance for last 3 FY.
35. Risk Factor 48- LM is advised to disclose that there is no conflict of interest of LM with SBI and due-diligence was undertaken independently by LM (SBI Capital Markets Limited).
36. Risk Factor 54- LM is advised to disclose that any variation in amount or period of deployment shall be considered as variation in utilization of Net proceeds.
37. In reference to new risk factor proposed to be disclosed with heading, *"Our inability to increase occupancy levels at our Portfolio may adversely affect our business, results of operations and financial condition"*, LM is advised to revise the heading of risk factor to disclose average occupancy levels of company's portfolio for last 3 FY.
38. LM is advised to disclose updated status of settlement application filed by Brookprop Management Services Private Limited. Further, disclose the same in a suitable risk factor.



39. LM is advised to disclose in a suitable risk factor, the risks of economic downturns, seasonal demand fluctuations and rising competition from new entrants and alternative accommodation platforms (eg. Airbnb) related to luxury hospitality sector.
40. LM is advised to disclose in a suitable risk factor, the risks of significant reliance on F&B revenue which could be susceptible to changes in consumer preferences, increased costs, or regulatory changes in the hospitality industry.
41. LM is advised to disclose in a suitable risk factor related to high competition in luxury hospitality industry. The company faces competition from established global and indian brands such as Oberoi, Taj, ITC hotels and international chains like Marriott and Hilton. Also, established brands have stronger customer loyalty and market share; retaining high value clients involves additional costs, such as loyalty programs or personalized services; and skilled workforce retention is challenging when competitors offer better packages and work environments.
42. LM is advised to disclose a suitable risk factor related to financing of acquisitions by company/ subsidiaries through debt and its impact on financial performance of the company.
43. LM is advised to disclose a suitable risk factor related to bonus issue done by company amounting to approx. INR 140 crores when the company is in losses and has a negative net worth.
44. LM is advised to disclose an appropriate Risk Factor regarding the operations of such subsidiaries where the amount raised from public issue is proposed to be utilised along with the amount / percentage of total issue size. Further, disclose percentage contribution of revenue from subsidiaries and dependency of the issuer company on its subsidiaries.
45. LM is advised to disclose in a suitable risk factor, the details of defaults/ delayed payment of borrowings by the company/ subsidiaries in the last 3 FY.
46. LM is advised that Market Value at Issue Price to Total Turnover and P/E Ratio at issue price shall be added in Price Advertisement. LM is also advised to add a suitable risk factor in this regard, if applicable.
47. LM is advised to incorporate a risk factor in top 10 disclosing that average P/E of the listed peer set is [ • ] while our company's P/E will be at premium of [ • ] times at the higher price band and [ • ] times at the lower price band, if applicable.
48. LM is advised to disclose date of acquisition of shares by BSREP III India Ballet III Pte. Ltd in the company and when it became a shareholder such that rights issues were allotted to it from the year 2019 to 2021. (Page 96)



49. LM is advised to disclose price of issuance of CCDs in notes wherever price of conversion of CCDs to equity shares is not applicable/ not disclosed.
50. LM is advised to disclose that applicable proportionate issue expenses shall be borne by Selling shareholders irrespective of company undertaking an IPO or not. (Page 119)
51. LM is advised to confirm and disclose that there will not be any lien on amount raised in the public issue pending deployment, which is kept in bank. (Page 120)
52. LM is advised to disclose that any variation in amount or period of deployment shall be considered as variation in utilization of Net proceeds. (Page 121)
53. LM is advised to disclose summary of financial information of subsidiaries for last 3 FY for which issue proceeds are proposed to be utilized in *Objects of the Offer* section. Further, disclose in brief, purpose of borrowings by the company and subsidiaries.
54. LM is advised to disclose debt-equity and debt service coverage ratios of company (on consolidated basis) for last 3 FY in *Objects of the Offer* section.
55. LM is advised to disclose basis for selection of listed peers, comparable parameters and not including other listed peers from the hospitality industry in *Basis for Offer Price* section with the comparable parameters.
56. In reference to statement disclosed, *"We have a strategic footprint across 10 key Indian business and leisure destinations, covering 79% of international air traffic and 54% of domestic air traffic in India in the Financial Year 2024"*, LM is advised to disclose number and percentage of keys in these destinations along with comparison of keys and market share with other players in these destinations. (Page 193)
57. In reference to statement disclosed, *"Brookfield also has significant experience in acquiring, operating and managing assets in India, with US\$27 billion of assets under management, experience of developing large scale mixed-use real estate projects of more than 10 msf, and a longstanding presence in India for around 15 years, as of March 31, 2024."*, LM is advised to disclose specific details to substantiate this statement. (Page 194)
58. In reference to statement disclosed, *"In order to further accelerate our growth and leverage Brookfield's expertise, we have entered into a right of first offer agreement, dated September 17, 2024, with an affiliate of Brookfield, granting us the right of first offer to acquire hospitality assets from them.."*, LM is advised to disclose and explain the statement as to how right of first offer to Brookfield will help in growth of company. Also, disclose name and details of affiliate of Brookfield with whom agreement has been entered into. (Page 194)



59. LM is advised to disclose financial metrics separately for owned and managed portfolio also. (Page 195)
60. LM is advised to disclose details of owned, managed, franchise and new development pipeline hotels in a tabular format. (Page 196)
61. LM is advised to substantiate the statement with relevant data, *"Marquee Owned Hotels in Markets with High Barriers to Entry"*. In case statement cannot be substantiated, the same may be deleted. (Page 198)
62. LM is advised to substantiate the statements with relevant data, *"Additionally, Brookfield's longstanding presence in India, managing US\$27 billion of assets under management and a history of approximately 15 years as of March 31, 2024, deep operating expertise, a demonstrated track record of managing capital and its commitment of resources are likely to create growth opportunities for us."*, *"Brookfield, through its affiliates, also has extensive development experience in India and has delivered large scale mixed-use real estate projects of more than 10 msf as of March 31, 2024."*, *"Further, our governance structure also benefits from sponsorship by Brookfield, which has a strong track record of corporate governance and compliance frameworks including anti-bribery and anti-corruption policies."* (Page 200-201)
63. LM is advised to disclose certificate from auditor/ chartered accountant and architect/ relevant expert along with details of all approvals received from local authorities for capital expenditure incurred and proposed to be incurred. (Page 202)
64. LM is advised to disclose definition of ARR, TRevPAR and RevPAR in simple language in *Our Business* section.
65. LM is advised to verify data related to financial metrics (eg ARR, RevPAR) of company being better/ superior to overall industry segment as disclosed on Page 203. Further, disclose whether the improvement is across industry or only company specific. (Page 203)
66. LM is advised to disclose basis for expected number of keys and delays in expected year of completion for upcoming properties disclosed on Page 204.
67. LM is advised to disclose all terms and conditions, if any, in relation to joint ventures for new developments. (Page 204)
68. LM is advised to disclose expected year of completion for each upcoming property, stage of completion, name of company's JV partner for each property, whether expected capex disclosed shall be undertaken by company solely or by both JV partners. In case part of capex is to be undertaken by JV partner, LM is advised to explain basis of disclosing incomplete information. (Page 204)





69. LM is advised to disclose a statement confirming that none of the business related agreements entered into by company are prejudicial to the interest of public shareholders in any manner.
70. LM is advised to disclose details of managed hotels and revenue earned from them (basic management fee and incentives) in a tabular format. (Page 205)
71. LM is advised to disclose basis for expected number of keys and delays in expected year of completion for properties for which hotel management agreements have been entered into by company as disclosed on Page 205.
72. LM is advised to explain reasons for hotel portfolio details disclosed as on two different dates, May 31, 2024 and June 30, 2024. (Page 206)
73. LM is advised to disclose details of statutory dues such as PF, ESIC, Income tax, etc. required to be paid for employees, amounts paid, amounts overdue, any delay in such payments for last 3 FY. (Page 238)
74. LM is advised to explain and disclose reasons for structuring the transaction in a manner that hotel properties were acquired by separate entities first and were later acquired by the company as subsidiaries. (Page 250-252)
75. LM is advised to disclose all business transfer agreements, acquisition agreements, scheme of amalgamation and valuation agreements as part of material documents for inspection. (Page 248-252)
76. LM is advised to disclose complete details of agreement to share proceeds from JV business, hospitality services, expenses on due-diligence of projects along with names of all parties to the agreement. Further, disclose its financial impact on company, if any.
77. LM is advised to disclose ownership structure of Promoter and Promoter of promoter through a diagrammatic representation to show ultimate owner. Further, disclose a statement confirming that the ultimate entity/ intermediate entity in the ownership chain is not controlled by any natural person. (Page 292)
78. LM is advised to disclose present business/ activity/ source of revenue of all subsidiaries and reason for nil/ NA revenue of subsidiaries, as applicable. (Page 255-266)
79. LM is advised to disclose number of years of experience in the company/ industry for all Directors in their brief profile. (Page 270-271)
80. LM is advised to disclose name and brief details of original promoters of company. (Page 293)
81. In page 303, it is disclosed that there is increase in the Goodwill from FY 2023 to FY 2024 and decrease in the Other Intangible assets in FY 2023 to FY 2024. LM



is advised to disclose the reasons for the same and include a Risk Factor in this regard, as deemed appropriate.

82. In page 326, it is disclosed that Fixed Deposits more than 12 months increased from INR 314.39 million in FY 2023 to INR 921.35 million in FY 2024 and in page 330, FD with maturity of more than 3 months to 12 month increased from INR 833.99 in FY 2023 to INR 3039.70 in FY 2024. LM is advised to disclose the reasons for the same.

83. LM is advised to disclose outstanding statutory/ regulatory litigations against Schloss Chanakya by NDMC and EPFO in a suitable risk factor. (Page 431-432)

84. LM is advised confirm and disclose that all special rights of any nature to any person through agreements and AOA or otherwise shall fall on or before listing.

85. LM is advised to disclose direct ownership keys as percentage of total inventory/ keys for last 3 FY wherever operational metrics for Portfolio/owned hotels is disclosed.

86. LM is advised to disclose the organisation structure of the company disclosing the various hotels/ subsidiaries under the common control at relevant section of RHP.

87. LM is advised to disclose brief details of acquisition of various hotels and details of source of funds for such acquisitions. Further, disclose details of entities from whom such hotels are acquired and their valuation reports. Further, LM is advised to disclose the same as Risk Factor, as deemed appropriate, along with relevant details and risk involved in return on such acquisitions, losses if any, in such hotels which are acquired.

88. LM is advised to ensure that disclosure made with respect to Offer Price and Price Band are in compliance with Part VII of Chapter II of SEBI (ICDR) Regulations, 2018. LM is advised to refrain from making any disclosure in the offer document w.r.t. offer price which are not in line with SEBI (ICDR) Regulations, 2018 such as *"The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus"*. LM is advised to make necessary changes in the offer document wherever applicable. LM is advised to ensure for all future issues as well.

**89. Legal and Other Information-**

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





- iii. LM is advised to ensure the disclosures of all actions taken by the statutory and regulatory authority.
90. LM shall disclose the details of the pledged shares held by the promoters/promoter group in the Issuer Company / its subsidiaries.
91. LM is advised to adhere to the following conditions:
- UDRHP is filed with SEBI not less than seven working days prior to submission of the draft advertisement for announcement of price band advertisement.
  - UDRHP shall contain 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, (For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the ICDR Regulations (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6(2) of the ICDR Regulations), with corresponding suitable explanations so as to justify the offer price.
92. 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.
93. LM is advised to specifically mention in the RHP that all special rights available to the Shareholders, will cease to exist upon listing of Equity Shares on the Stock Exchanges pursuant to the Offer.
94. LM is advised to disclose the details of all profit sharing arrangements involving the Issuer, promoters, promoter group, directors and shareholders, if any.
95. Ensure that details of the Directors in the section titled “Management” clearly depicts if any director is a nominee. If so, please also disclose the details who have nominated them. Similarly, such details to be disclosed for the KMPs as well. Please also confirm that apart from that disclosed in the offer document, there are no other nominee directors, KMPs or other persons etc. appointed on behalf any of the shareholders or any other person.
96. LM is advised to verify and disclose if the name of any of the directors, promoter and promoter group persons is appearing in the list of directors of struck-off companies by ROC/ MCA. Also verify and disclose if the name of the promoter group companies and group companies is appearing in the list of struck-off companies by ROC/ MCA.

97. LM to disclose all the complaints received so far, if any and forwarded by SEBI for comments be under material documents available for inspection along with their respective replies.
98. With respect to all the complaints received by LM/Company and complaints forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures, if required, are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the Financial Impact of the same, if any. Further, LM is advised to incorporate a prominent Risk Factor, if required, for such complaints received.
99. LM is advised to update the RHP in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of DRHP.
100. LM is advised to ensure that the details of all the criminal matters initiated against the company, group companies, directors, subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the RHP along with appropriate risk factors in this regard.
101. LM is advised to include a reference to the circulars CFD/DIL2/CIR/P/2018/22 dated Feb 15, 2018 and CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 at all applicable sections in DRHP.
102. Under section "Monitoring of Utilization of funds", LM is also advised to make suitable disclosure on following points:
- The proceeds of the issue shall also be monitored by the Audit Committee till utilization of the proceeds.
  - For any investments in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time.
  - Issuer Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.
  - Issuer Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense heads under each object of the issue.
  - Issue Company shall in its quarterly Notes to Accounts of its Financial Statements include the employment of issue proceeds under various heads.
103. In reference to pre-IPO placement undertaken by the company, LM is advised to suitably disclose risk to investors applying in IPO at a price higher than the pre-IPO price in the price band advertisement.

104. LM is advised to ensure compliance with SEBI direction to AIBI vide email dated July 4, 2023 related to disclosures pertaining to Pre-IPO placement and transaction of shares by promoters and promoter group(s) in the Public Announcement and Price Band Advertisement.
105. LM is advised to ensure that utilisation of Pre-IPO proceeds shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilisation towards the disclosed specific objects of the issue.
106. LM is advised to disclose offer expense to be borne by the issuer vis-à-vis Gross Fresh proceeds only (excluding expenses for OFS). LM is advised to ensure that Net offer should be calculated as Proceeds from Fresh issuance deducted by offer expense to be borne by the issuer.
107. Special Rights Available to Specific Shareholders :-
- i) LM is advised ensure that special rights as disclosed in the DRHP shall terminate before filing of UDRHP. Further, LM is advised to include a categorical statement that it has gone through AoA of the issuer company and confirm to SEBI that no special rights to the promoters/shareholders in the AoA, at the time of filing of UDRHP.
  - ii) LM is advised to ensure that Part B of the AoA of the company shall be deleted prior to the filing of UDRHP, if any. Further, as part of corporate governance and continuing listing compliance, the issuer shall ensure that no reference is ever made about the special rights to any shareholder in any way or any communication.
108. 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.

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

110. In respect of advertisement for announcement of Price Band, LM shall ensure the following is included:

- Recommendation of the Committee of Independent Directors that the price band is justified vis-à-vis the last round of fund raising giving quantitative factors / KPIs.
- The portion pertaining to “Risks to Investors” shall constitute at least 33% of the price band advertisement space.
- 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 risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years 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 3 years			

- The font size for price band and “Risk to investors” should be increased to match the font of BID/Offer Programme.





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

111. LM shall ensure that the details with respect to Fresh Issue and Offer for Sale be separately disclosed in the Price Band advertisement and details of selling shareholders be presented in a tabular format.

112. LM shall ensure that the range of acquisition price (lowest price-highest price), as disclosed in the RHP and Price Band advertisement, should not be 'Nil' and be computed exclusive of bonus and gift.

113. LM is advised to disclose major risk factors concisely in the "Risk to investors" section of the Price Band Advertisement.

114. LM shall ensure that the details of past issues handled by BRLMs, which closed below the offer price on the listing date, to be published in the below mentioned format:

BRLMs	Total Issues	Issues closed below IPO Price on listing date
BRLM 1/ BRLM 2/ BRLM 3		
Common issues of BRLMs		
Total		



**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 required 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 cover page to be strictly in compliance with the ICDR Schedule VI- all extra texts may be avoided to ensure that the focus remains on the statutory texts mentioned in the Schedule.
4. 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.
5. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the red herring prospectus 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.
6. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
7. In terms of Regulation 7.(1)(c) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 31.(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Issuer Company and the Lead Manger are advised to ensure compliance with the requirement pertaining to shareholding of promoter(s) and promoter group to be held in dematerialised form.
8. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
9. In pursuance of Regulation 25 Sub-Regulation 9(a) 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.

#### 10. ASBA:

- i) 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.
- ii) 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**\*\*.*

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