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SEBI/CFD/RAC-DIL2/OW/2024/ 36676/1  
November 28, 2024

**JM Financial Limited**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai- 400025.

**Kind Attention: Mr. Arjun Mehra**

महोदय / Dear Sir,

**विषय / Sub: Letter of Observations - Proposed IPO of Ventive Hospitality Limited (Company/issuer)**

- 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.

- 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.**

- यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय 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 विनिमय बोर्ड [पंजी 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.

4. 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) रेग्यूलेशन्स, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख September 10, 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 10, 2024, in accordance with SEBI ICDR Regulations, 2018.

5. 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.

6. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) 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.**

7. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनिमय 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 रजिस्टार 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.

8. 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.

9. 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.

10. 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

*Abhishek*  
Abhishek Ranjan

**Annexure I**

**OBSERVATIONS**

1. Please refer to our letter dated September 30, 2024 and the response from LM dated October 16, 2024 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. Draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company/ Expert. The Issuer Company / BRLMs shall ensure that the "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor any underlying assumptions have 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. The industry report disclaimers (if any) shall be removed from all places of the offer document.
5. LM is advised to include the 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.
6. The LM is advised to ensure that offer document is made in lucid and economical language with limited usage of abbreviations. Abbreviations, if any, shall be used only with prior and appropriate disclosure of the corresponding term. jargons or nomenclatures, if any, shall be properly explained at each and every mention of the same.
7. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.
8. LM is advised to ensure that financial disclosures for the stub period and comparative periods shall be made on account of audited, restated and consolidated financials only.
9. LM is advised to ensure that the primary business of the company shall be disclosed in lucid and economical language. The disclosure shall specify the industry, sector, activity, products etc with clarity.
10. 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.
11. Though, these observations refer to a specific chapter or para, LM is advised to ensure that the principles of the observation are incorporated at all applicable places in the DRHP consistently.
12. LM is advised to ensure that the disclosure of risk factors are based on materiality and provide adequate and cross-reference, to the exact page no., wherein detailed information is disclosed.
13. LM is advised to disclose the date of Board Approvals obtained for disclosed initiatives, such as expansion, expenditures etc. Non-disclosures shall be qualified with reasons.
14. LM is advised to appropriately disclose delays, if any, in payment of ESIC, PF, IT and other statutory dues. Further, LM is advised to disclose in details, the number of employees for which the Provident Fund is applicable, paid and unpaid dues. The principle of disclosure shall be applicable for all employee related, statutory payments.

15. LM is advised to disclose the face value of the shares on offer on the cover pages and all applicable places.
16. LM is advised that KPIs and financial data wherever disclosed shall be in absolute terms and in % terms, and shall pertain to the disclosed financial period.
17. LM is advised to make uniform presentation of data in terms of the placement of time-periods. LM should ensure that the time-periods are either placed in ascending or descending order, uniformly across the offer document.
18. For each cross-referencing of the industry report, LM is advised to mention the exact para and page of the report.
19. LM shall ensure the eligibility of the employees applying under the employee reservation portion of the issue.
20. LM is advised to ensure that certificates issued by *experts/* peer reviewed CAs / Statutory Auditors are disclose as *material contracts and documents available for inspection*.
21. LM is advised that the disclosed data sets, wherever disclosed, shall include figures based on pro-forma financials as well as consolidated & re-stated financial statements.
22. LM is advised to disclose the pro-forma financials for the applicable financial period as disclosed in the offer document and applicable stub period; including pro forma cash flow statements.
23. **Summary of the offer document:**
  - a. Related Party Transactions – Loans given to related parties shall have detailed disclosures under MDMA including the details on repayment, terms interest etc. Audit Observations, if any, on the same shall be disclosed under appropriate risk factor or RF 28 along with the reasons for undertaking such RPTs wherein the issuer itself has high debt:equity. An appropriate cross reference to both MDMA and RF shall be provided in the instant section.
  - b. Page 20 – Pre-IPO proceeds shall be utilized towards the stated objects and shall be monitored by the monitoring agency. Disclosures shall be made w.r.t. the same.

**24. Risk Factors (RF):**

- a. The LMs to ensure that any description of risk or description of the possibility of occurrence of an event/ situation shall necessary follow with a statement of detailed disclosure on past occurrences. If not, a categorical statement of disclosure on non-occurrence of such events shall be disclosed.
- b. Risk Factors - (i) 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.
- c. LM is advised that data-points for disclosure shall also incorporate the values in absolute terms along with the values in terms of percentages.
- d. Additional RF – LM as an additional RF shall disclose the experience of the promoters in operations of hotel/hospitality assets prior to the acquisition date. The RF shall incorporate the risks associated with lack of experience in managing hotel/hospitality assets.

- e. RF 2 – LM is advised to re-draft the RF to make it brief and meaningful.
- f. RF 5 - The RF shall disclose the whether sale of construction materials forms part of the issuer's regular business operations. Further details on the same shall be disclosed.
- g. RF 6 – The RF shall be placed as and after top 20 RFs.
- h. RF 7 –The RF shall disclose the difference between the operations of a franchised asset or operated by third-party brands. The RF shall also disclose whether such third-party brands have any association with P/PG. The RF shall further disclose the experience of these third-party vendors in operating hospitality/hotel assets.
- i. RF 9 – The para head of the RF shall be redrafted to incorporated the phrase, *have an adverse impact*, replacing the phrase, *result in us*.
- j. RF 11 – The RF shall include the updates status of payment of the statutory dues and shall disclose the reasons for pendency of dues.
- k. RF 12 –The RF shall disclose the extent of liabilities acquired.
- l. RF 13 – The RF shall disclose payments and parties to the trademark licensing agreements. Refer para head. The sentence beginning with, *further we have*, shall be redrafted.
- m. RF 14 – The RF shall be redrafted to include the following sentences in the para head:  
*Further, any delay in execution of ongoing projects would adversely impact the operations and profitability of the company.*  
The RF shall be placed as and under top 10 RFs.
- n. RF 15 – The RF shall make better disclosures including on, adopted growth strategy, the synergies obtained on account of the same etc.
- o. RF 16 – The RF shall disclose that properties mentioned at Sl. No 5 and Sl no. 8 have approved land utilisation permits.
- p. RF 17 – The RF shall disclose the sources for meeting the current requirements of WC and Capital Expenditure. A break-up of the capital expenditure during the applicable period and its sources shall be disclosed. Similar disclosures shall be made for WC.
- q. RF 18 – The RF shall be placed as and under top 15 RFs. Refer sentence beginning with *the restrictive covenants could*, the disclosure shall include definite details. The RF shall disclose the comparative data points on the financial covenants vis-à-vis the achieved ratios. The RF shall disclose the amount involved in the moratorium sought by UHPL.  
The RF shall make segregated disclosures for bank borrowings and NCDs.
- r. RF 19 – The RF shall disclose specific rights and parties for each of the properties.
- i. RF 23 – The RF shall disclose a negative statement on the objects of issue having no bearing on the due-diligence process. RF 23 - The para head of the RF shall be redrafted to incorporate the phrase, *proposed to be utilised*, replacing the phrase, *may be utilised*.
- s. RF 24 and RF 25 – The RF shall disclose a statement on continued operations in absence of renewals of approvals.

- t. RF 26 – The RF shall disclose communication made to ROC on the disclosed inaccuracies. LM shall confirm on issuance of such communication.
- u. RF 27 – The RF shall identify and disclose property-wise specific risks, associated/inherent in part-ownerships.
- v. RF 28 – Risks w.r.t. agreements as disclosed on pages 310-311 shall be incorporated as a separate RF and placed as and under top 25 RFs.
- w. RF 29 – The RF shall disclose the sources for funding of acquisitions. Separate disclosure shall be made for each of the acquisitions. The RF shall also disclose the basis/valuation for the properties/companies being acquired. RF shall also disclose the terms of bank credit, if any on the valuation of such acquisitions.
- x. RF 35 – The RF shall disclose the amount paid during the applicable period to any of the promoters/PG for property management. The RF shall confirm whether such RPTs were made on arm's length basis. Material terms of such agreement shall be disclosed. The disclosure shall be corroborated with appropriate data points.
- y. RF 38 and Additional RF – Offer document shall include an additional RF disclosing the risks inherent in the group not having an operating history by which its overall performance may be evaluated.
- z. RF 39 – The RF shall include appropriate cross-reference.
- aa. RF 49 – The RF shall be corroborated with applicable data-points including value of bookings obtained through each of the channels, nature of payment i.e. commission or fees, commissions/fees paid to each of the channels. Material terms of the agreements to be disclosed, else a negating statement to be made in the said RF.
- bb. RF 53 – The RF shall disclose in specifics the diverse interests held by its promoters. The RF shall be corroborated with applicable data points.
- cc. RF 54 – The RF shall disclose promoter shareholdings for each of the promoters.
- dd. RF 56 – The RF shall disclose specific details of the disclosed land acquisitions made by the regulatory/municipal bodies.

**25. Capital Structure:**

- a. Page 96, 97 and 98 – LM to confirm that the further issue of shares, private placements, preferential allotments, buy-backs were made in compliance with provisions of the Companies Act.
- b. Page 98 – Financial rationale for buyback in 2022 (considering outstanding debts) shall be disclosed at appropriate place. The disclosure shall include complete details including no. of shares, shareholders, price along with justification etc.

**26. Objects of the Offer:**

- a. Disclosure on loans to be repaid from the issue proceeds shall include date of disbursement.
- b. Page 110 – Repayment/pre-payment in part or full of certain borrowings: The section shall disclose under a separate table, the sources of funding for the acquisitions. The table shall disclose the date of acquisition, date of disbursement of loan, valuation if any shared with the banks etc. The section shall also disclose the valuation basis of the said acquisitions.



- c. Page 113 – The section, under a separate table, shall disclose the total investments made in the disclosed subsidiaries, the mode of such investments, financial highlights of the disclosed subsidiaries/step-down subsidiaries, % contribution of the disclosed subsidiaries to the consolidated revenues, EBITDA etc.
- d. Interim use of Net proceeds: The Monitoring agency shall ensure that lien of any nature is not created during the interim use period.
- e. Further, the Audit Committee shall also monitor the utilisation on Gross Proceeds basis.
- f. The section shall also disclose the nature of submissions to be made to the monitoring agency towards monitoring of utilisation of proceeds in the subsidiaries/step-down subsidiaries.
- g. The section shall also disclose the applicable corporate governance norms being exercised in the subsidiaries/step-down subsidiaries.

**27. Basis for offer price:**

- a. Basis of Offer Price –PE corresponding to the price band, if higher than the industry average shall have necessary justifications in terms of financial ratios, qualitative factors. Similar disclosures shall be incorporated in the price band advertisement.

**28. Industry Overview:**

- a. Page 195 – Disclosures on potential threats and challenges to be disclosed as additional RF.

**29. Our Business:**

- a. Page 198 – The table as provided shall disclose the year of acquisition and years since operational for the properties mentioned.
- b. Page 215 – W.r.t. the expiry of contracts as provided in the table, disclosures shall be made on the status of contract renewals pertaining to contracts expiring in next FY. Similar disclosure to be incorporated in RF 2.
- c. Page 197 – Overview - LM is advised to incorporate disclosures on business milestones of the company showing financial periods when various acquisitions were made. The disclosure shall include value of the acquisitions/development. Appropriate cross-reference shall be made to the pro-forma financial and the consolidated and restated financial statements.

LM is advised to ensure that instance of disclosures pertaining to financials or assets of the issuer shall provide appropriate differentiation on the basis of pre and post-acquisition periods.

- d. Page 199 – Table I – Committed Occupancy shall be defined under footnote and shall disclose the minimum and maximum lease periods on outstanding basis.
- e. Page 199 – Para beginning with, *we plan to focus on increasing...*, shall be deleted or shall be substantiated with board approved plans.
- f. Page 206 and Page 207 – Disclosures shall not attribute the past initiatives undertaken by the erstwhile management of the acquired entities, to the present management. Refer – *we undertook various innovations...; proven track record of asset management, we opened Tao-Fu, we identified an opportunity etc.*

- g. Page 206 – Professional and experienced management team – The section shall disclose a statement of differentiation between the pre-acquisition and post-acquisition management.
- h. Page 206 – Proven track record of asset management – The section shall disclose the track record for management of assets prior to the acquisitions. If not substantiated, the section shall be deleted.
- i. Page 215 – The Table shall disclose the date of acquisition of each of the properties.
- j. Page 248 – Any direct/indirect connection of the promoters/PG with RP Holdings Ltd shall be disclosed.
- k. Page 258 – Disclosures on non-availability of any existing rights and their fall at the time of listing shall be disclosed on the exchanges.
- l. Page 259 – Disclosures under an appropriate RF shall be made w.r.t. the associated risks emanating from the JV agreement dated May 10, 2023 and investment agreement dated August 31, 2024.
- m. Page 281- Disclosures under an appropriate RF shall be made w.r.t. the implication of the indemnity agreement including implications, if any, on the shareholders. In absence of any contingent indemnity on the shareholders, RF shall incorporate a negating statement.

### 30. Our Promoters and Promoter Group

- a. W.r.t. BRE Promoters, the chapter shall disclose that in jurisdictions where these promoters operate/registered, no natural person has been disclosed as controlling shareholder. LM to confirm on the advised disclosure and shall confirm that no material information w.r.t. the BRE promoters remains undisclosed which may be prejudicial to the interest of prospective shareholders of the issuer.
- b. Page 310 – Business interests of our group companies: W.r.t. A2Z Online Services Private Limited, the value of the services availed by the issuer shall be disclosed for the applicable financial period.

### 31. Our Group Companies

- a. LM is advised to disclose the activity and brief financial information for the group companies.

### 32. Outstanding Litigation and Material Developments

- a. LM is advised to disclose the dates of the outstanding litigations.
- b. LM is advised to disclose the data points such as place and authority where such litigations are pending for each of the disclosed litigations.
- c. If not disclosed, LM shall disclose as separate RF, the implications if any on the contingency of an adverse outcome of disclosed litigations.

### 33. Financial Information:

- a. Page 400 – Refer accounting treatment of holding company loans as equity in SPV books. The financial impact of the same shall be disclosed under MDMA. Risks, if any, shall be disclosed as an additional RF. Similar disclosures on treatment of loans of the holding company for each of the acquisitions to be disclosed under MDMA.

- b. Page 455 – Refer Para beginning with, *Because of their nature..*, The para to be appropriately incorporated in relevant RF and cross reference to the same shall be made at all sections disclosing financial data points of the pro-forma financial.
- c. Page 460 – Contractual obligations to be incorporated under an appropriate RF.

**34. History and Certain Corporate Matters:**

- a. Page 260 – Trademark usage by the promoter/PG in any other business shall be disclosed at appropriate places. Suitable RF on the same to be incorporated as and under top 20 RFs.
- b. LM to ensure that special rights as disclosed in the DRHP shall terminate before filing of RHP. 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 offer document.
- c. Under chapter, *History and certain corporate matters*, LM is advised to disclose all the material conditions of any disclosed agreement. LM is advised to avoid using phrases such as *certain conditions and applicable laws* unless accompanied with a negating disclosure on material covenants.
- d. LM is advised that inter-se agreements/ arrangements between the shareholders are disclosed under section “History and Certain Corporate Matters”.
- e. LM is advised that a categorical statement from the Issuer Company/ Promoters / Shareholders, may be provided that there are no other inter-se agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders. Also that there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the DRHP.
- f. Further, the LMs shall also confirm to SEBI that they have gone through the inter-se agreements/ arrangements, if any, as disclosed in the DRHP and they also do not see any clauses / covenants which are material and need to be disclosed, which have not been disclosed and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders.

**35. Financial Indebtedness:**

- a. LM is advised to verify the statement w.r.t. inter-corporate deposits, disclosed as footnote.

**36. Our Management:**

- a. Page 284 – W.r.t. Shri Atul I. Chordia, refer the statement, completed his first year. The section shall disclose the years of experience and area of expertise, if any, for each of the directors.
- b. LM is advised to ensure that details of the Directors in the section titled “Management” clearly depicts if any director is a nominee. If so, LM shall also disclose the details on the shareholders nominating them. Similarly, such details to be disclosed for the KMPs as well. LM to 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.

- c. LM shall disclose whether the structure of the Board is compliant with applicable corporate governance norms on the date of listing. If no, suitable RF to be provided.
37. 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/P/2021/2480/1/M dated March 16, 2021.
38. 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 Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.
39. 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 limited cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate risk factors in this regard.
40. 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.

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

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## 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 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 a material 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 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.
9. **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](http://www.sebi.gov.in). \*\* List of banks supporting UPI is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) \*\*.*

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