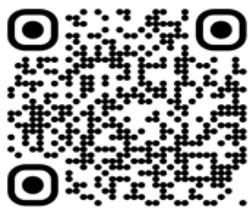


THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



(Please Scan this QR Code to view to view this Addendum)



GRAND CONTINENT HOTELS LIMITED
(Formerly known as “Grand Continent Hotels Private Limited”)
CIN: U55101TN2011PLC083100

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Grand Continent Hotels Private Limited” pursuant to certificate of incorporation dated November 11, 2011 issued by the RoC, Chennai, Tamil Nadu bearing Corporate Identity Number U55101TN2011PTC0s83100. Subsequently, our Company was converted into public limited company pursuant to special resolution passed in the EGM held on May 27, 2024, and consequently, the name of our Company was changed to “Grand Continent Hotels Limited” and a fresh certificate of incorporation dated August 30, 2024 consequent upon conversion from private company to public company was issued by RoC, Central Processing Centre bearing CIN U55101TN2011PLC083100. For further details please refer to section titled “History and Certain Other Corporate Matters” beginning on page 196 of this Draft Red Herring Prospectus.

Registered Office: S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.

Corporate Office: Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India.

Contact Person: Ms. Aastha Kochar, Company Secretary and Compliance Officer

Tel: +91 80 4165 6491; **E-mail:** cs@grandcontinenthotels.com; **Website:** <https://grandcontinenthotels.com>

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS (THE “ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 65,90,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF GRAND CONTINENT HOTELS LIMITED (“OUR COMPANY” OR “GCHL” OR “THE ISSUER”) AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“OFFER”) COMPRISING OF A FRESH ISSUE OF UP TO 62,61,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [●] LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 3,29,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AGGREGATING UP TO ₹ [●] LAKHS BY MR. RAMESH SIVA (THE “PROMOTER SELLING SHAREHOLDER”).

THE OFFER INCLUDES A RESERVATION OF 3,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING TO ₹ [●] LAKHS FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”) AND A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] LAKHS (CONSTITUTING UP TO [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS MARKET MAKER RESERVATION PORTION AND EMPLOYEE RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”), OFFER A DISCOUNT OF UP TO ₹ [●] ON THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”).

THE PRICE BAND, THE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION

OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND [●] EDITION OF [●], A REGIONAL NEWSPAPER (A WIDELY CIRCULATED TAMIL DAILY NEWSPAPER, TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE (“NSE EMERGE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

This is with further reference to the Draft Red Herring Prospectus (DRHP) dated November 21, 2024 filed by Our Company with the National Stock Exchange of India Limited.

Potential Bidders may note the following:

1. The chapter titled “**Definitions and Abbreviations**” of the Draft Red Herring Prospectus have been updated to include the abbreviation “GCH” to “Grand Continent Hotels Limited” and insertion of definition of hotel property named “Hotel Grand Continent - T. Nagar”.
2. The section titled “**Summary of Draft Red Herring Prospectus**” beginning on page 30 of the Draft Red Herring Prospectus has been updated to include “and Capital Commitments” in the heading ‘Summary of Contingent Liability’.
3. The section titled “**Risk Factors**” beginning on page 39 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering thereof.
4. The section titled “**General Information**” beginning on page 85 of the Draft Red Herring Prospectus has been updated for removal of duplication of the name of Market Maker to the Offer.
5. The section titled “**Capital Structure**” beginning on page 97 of the Draft Red Herring Prospectus has been updated to remove an inadvertent mention of “Bonus in the ratio of 7:2 i.e., 7 Equity Share for every 1 Equity Shares held” instead of “Bonus in the ratio of 7:2 i.e., 7 Equity Share for every 2 Equity Shares held”.
6. The chapter titled “**Objects of the Offer**” beginning on page 112 of the Draft Red Herring Prospectus has been updated with modification in the following heads:
 - a) Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by our Company
 - a. revised table disclosing details of loans to be repaid from the issue proceeds including additional details/amendment to existing details such as date of disbursement, updating details of principal amount outstanding and interest rate as on January 13, 2025 and purpose for which loans were availed and actual utilization provided.
 - b. Inclusion of the complete name of “UC Credit” as “UC Inclusive Credit Private Limited”.
 - b) Expansion of our Hotel properties in India.
 - (i) Rectified typo in identification of five hotel properties;
 - (ii) Corrections to the notes of the properties; and
 - (iii) Inclusion of Total units/ basis of Estimate in the table of indicative list of such machinery that we intend to purchase, along with details of the quotations”
 - c) Not applicability of firm arrangements
 - d) Appointment of Monitoring Agency
7. The chapter titled “**Basis for Offer Price**” beginning on page 127 of the Draft Red Herring Prospectus has been updated to include comparison of accounting ratios and key performance indicators with Sayaji Hotels Limited and Royal Orchids Hotels Limited with the Company.
8. The chapter titled “**Our Industry**” beginning on page 142 of the Draft Red Herring Prospectus has been updated to include additional peer groups of the Company.
9. The chapter titled “**Our Business**” beginning on page 164 of the Draft Red Herring Prospectus has been updated with modification in the following heads:
 - a. Removal of information in the description of the Company,
 - b. parameters for categorization of hotels into Economy hotels, Mid-price hotel and Upper Mid-price hotel,
 - c. removal of logo of Sarovar Hotels and Royal Orchid,
 - d. Removal of superlatives in the chapter
 - e. insertion of marketing strategy of the Company,
 - f. year-wise details of key people ratio for the last 3 financial years and stub period ended September 30, 2024,
 - g. bifurcation of human resource into permanent and contractual across the Company and JV Partner Entities,
 - h. updation of details of insurance policy and expiry dates, and
 - i. additional details on “Land and Property” owned and leased by the Company such as Lessor is a related party (including whether a member of the promoter/ promoter group) and Adequately Stamped / Registered etc
10. The chapter titled “**History and certain other Corporate Matters**” beginning on page 196 of the Draft Red

Herring Prospectus has been updated to include the footnote below the table giving details of number of share subscription agreement executed by the Company and the names of the third parties in the franchisee and trademark licensing agreement.

11. The chapter titled “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 267 of the Draft Red Herring Prospectus has been updated to remove superlatives and rectified details of contingent liability for the last three financial years on page 284 of the Draft Red Herring Prospectus.
12. The chapter titled “*Financial Indebtedness*” beginning on page 288 of the Draft Red Herring Prospectus has been updated (a) disclosing the purpose for which the loan was sanctioned in relation to term loan from Aditya Birla Finance limited, (b) the complete name of “UC Inclusive” is mentioned, (c) updated table disclosing the date of loan taken from Ayesspea Holdings and Investment Pvt Ltd, and (d) updated the final redemption date of non-convertible debentures.

The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should read the Red Herring Prospectus as and when filed with the RoC, SEBI and the Stock Exchange before making an investment decision in the Offer. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

<p>Place: Bengaluru Date: February 25, 2025</p>	<p style="text-align: right;">For Grand Continent Hotels Limited (Formerly known as “Grand Continent Hotels Private Limited”) On behalf of the Board of Directors Sd/- Mr. Ramesh Siva Chairman and Managing Director</p>	
BOOK RUNNING LEAD MANAGER TO THE OFFER		REGISTRAR TO THE OFFER
		
<p>INDORIENT FINANCIAL SERVICES LIMITED B/805, Rustomjee Central Park, Executive Spaces, Andheri Kurla Road, Chakala, Mumbai – 400093, Maharashtra, India. Tel: +91-79772 12186 E-mail: compliance-ifsl@indorient.in Investor Grievance E-mail: wecare@indorient.in Website: www.indorient.in Contact Person: Mr. Ivor Anil Misquith SEBI Registration No: INM000012661 CIN: U67190DL1993PLC052085</p>		<p>MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel No.: +91 810 811 4949 Fax No. +91 22 4918 6060 E-mail: grandcontinent.ipo@linkintime.co.in Investor Grievance Email: grandcontinent.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No: INR000004058 CIN: U67190MH1999PTC118368</p>
BID/OFFER PERIOD		
ANCHOR PORTION OFFER OPENS/CLOSES ON: [●]*	BID/OFFER OPENS ON: [●]	BID/OFFER CLOSES ON: [●]**#

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

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

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

TABLE OF CONTENTS

SECTION I: GENERAL	1
DEFINITIONS AND ABBREVIATIONS	1
SECTION II: SUMMARY OF DRAFT RED HERRING PROSPECTUS	2
SECTION III: RISK FACTORS	3
SECTION V: GENERAL INFORMATION	8
SECTION VI: CAPITAL STRUCTURE	9
SECTION VII: PARTICULARS OF THE OFFER	10
OBJECTS OF THE OFFER	10
BASIS FOR OFFER PRICE	21
SECTION VIII: ABOUT THE ISSUER	24
OUR BUSINESS	27
HISTORY AND CERTAIN OTHER CORPORATE MATTERS	35
SECTION IX: FINANCIAL INFORMATION	37
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	37
FINANCIAL INDEBTEDNESS	38
SECTION XIII: OTHER INFORMATION	42
DECLARATION	42

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

The chapter titled “*Definitions and Abbreviations*” beginning on page 8-9 of the Draft Red Herring Prospectus has been updated to include the reference of full form of GCH and definition of “Hotel Grand Continent - T. Nagar” as given below-

Conventional or General Terms

Term	Description
Grand Continent Hotels Limited / GCHL/ GCH/ the Company / our Company/Issuer	Grand Continent Hotels Limited, a public limited company incorporated under the Companies Act, 1956 as a private limited and having its registered office at S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu, Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India and corporate office at Municipal No 3, 3rd Main Road, K R Garden, Koramangala, Bengaluru - 560095, Karnataka, India.

Company Related Terms

Term	Description
Hotel Grand Continent - T. Nagar	No. 1/11, Ramasamy Street, T. Nagar, Chennai, Tamil Nadu, Pincode- 600017, India

SECTION II: SUMMARY OF DRAFT RED HERRING PROSPECTUS

The section titled “*Summary of Draft Red Herring Prospectus*” beginning on page 30 of the Draft Red Herring Prospectus has been updated to insert the words “capital commitments” with the heading of ‘Summary of Contingent Liability’ as given below-

K. Summary of Contingent Liability and Capital Commitments

SECTION III: RISK FACTORS

The section titled “**Risk Factors**” beginning on page 39 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering as given below-

INTERNAL RISKS FACTORS:

- a) Risk Factor No. (54) on page 69 of the DRHP - ‘***We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.***’ has been renumbered as Risk Factor No. 1
- b) Updation of the Risk Factor No. (2) on page 46 of the DRHP as follows:

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

Some of our lease/license agreements and Memorandum of Understandings with clients, joint venture partners etc. may have certain irregularities such as inadequate stamping, incorrect registered office address and / or non-registration of deeds and agreements and improper execution of deeds. An inadequately stamped document and non-registration of documents affects their inadmissible as evidence before any judicial forum and we, as parties to that agreement, may not be able to legally enforce the same, unless the defects are rectified and after paying a penalty for inadequate stamping, non-registration, etc.

We have not faced any instances where unregistered and inadequately stamped lease agreements or other agreements entered into by us faced challenges in enforcement or admitting the same as evidence in a court in India, which has then caused disruptions in our operations or result in our inability to continue to operate from the relevant locations during the past six months period ended September 30, 2024 and the Fiscals 2024, 2023, and 2022. However, in the event of any dispute arising out of such unstamped, or inadequately stamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which could materially and adversely affect our business, financial condition, results of operations and prospects.

- c) Risk Factor no. (9) on page 51 of the DRHP has been updated to represent the Intensive working capital requirement of the Company and the updated Risk Factor is as follows:
‘Our business is capital intensive and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations, cash flows and financial condition’

Our business is capital intensive as we require capital including working capital to operate and expand our hotel properties and operations. One of the objects of the Offer is to expand our hotel footprint for which we have identified five properties across India for which an amount of INR 1,679.24 lakhs is being demarcated from the Net Proceeds of the Fresh Issue. This translates to an approx. average spend of INR 335.00 lakhs. This amount covers the expenditure to be incurred in getting the property ready for onboarding and welcoming guest. This spend broadly includes interiors and furnishing, equipment including kitchen equipment, equipment for getting facilities | banquet halls and other utility areas operational. For further information, see “Objects of the Offer – Details of the Objects of the Offer – Expansion of our Hotel properties in India.” on page 125. As we intend to grow our business by expanding keys in new hotel properties, our growing scale of operation and planned expansion may result in increase in the quantum of working capital required. Our inability to maintain sufficient cash flows, credit facility and other sourcing of finance for the same, could adversely affect our results of operations, financial conditions and cash flows.

Simultaneously, It is worth noting that new mid-scale properties typically take 12 to 18 months to achieve stable occupancy levels (60-70%), depending on factors such as the property's location in a high-demand tourist or business hub, brand affiliation, seasonality, market conditions, and the effectiveness of its marketing, distribution strategy, and guest experience. In cases where the location is favorable and guest experience is positive, this period can shorten to 6-12 months (Source: Ken Research). Longer lead times to get optimal occupancy level could lead

to additional financing arrangements to cover working capital cost. Further, there is no assurance that these expenditures and enhancements will result in increased revenues or profits in the near future or at all.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, delay in obtaining regulatory approvals, economic conditions, design changes, weather related delays, technological changes and additional market developments. Any time or cost overruns in relation to our ongoing and future expansion may have a material adverse effect on our business, results of operations, reputation, cash flows and financial condition.

- d) Removed the reference of risk factor in the Risk Factor No. (16) on page 53 of the DRHP and the revised Risk Factor No. 16 is as follows:

16. We had a large workforce of 538 employees as of September 30, 2024, deployed across our hotels and may be exposed to service-related claims and losses or employee disruptions and work stoppages that could have an adverse effect on our business and reputation. Our Company has also witnessed delays in payment of statutory dues linked to our employees in the past.

...

~~We have faced instances of delays in payments of certain of the above statutory dues. For further details of past delays in payment of our other statutory dues, see section titled "Risk Factors—There are certain instances of delays in and non-payment of statutory dues by us. Any further delay in and non-payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows." On page 62.~~

- e) Risk Factor no. 50, 51 and 53 have been moved to top 15 risk factors and the same have been renumbered to Risk Factors no. 13, 14 and 11 respectively.
- f) Risk Factor no. 39 has been moved to top 20 risk factors and the same has been renumbered as Risk Factor no. 16.
- g) Risk Factor no. 52 has been moved to top 10 risk factors and the same has been renumbered as Risk Factor no. 9.
- h) *Insertion of new risk factor as Risk factor No. 20*

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

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

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

- i) *Insertion of new risk factor as Risk factor No. 21:*

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

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

Sr. No	Name of Director & DIN	Name of the Strike-off Companies	Reason for strike off	Type of strike off
1)	Ramesh Siva DIN: 02449456	Tantraa Inn Private Limited	The company- was inoperative since the date of its incorporation	Voluntary Strike off
2)	Ramesh Siva DIN: 02449456	Bon-Jour Hospitality Services Private Limited	The company was inoperative since the date of its incorporation	Voluntary Strike off
3)	V Swaminathan DIN: 00238629	Fiduciary Advisory Services Private Limited	The company was not carrying on any business or operation for a period of two immediately preceding financial years and has not made application within such period for obtaining the status of a dormant company under section 455 of the Companies Act, 2013	Mandatory Strike off by ROC

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

- j) *Insertion of percentage of total outstanding borrowing proposed to be repaid from the Net Proceeds to the total outstanding borrowing to risk factor No. 25 and the extract of the revised risk factor No. 25 is given below:*

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

As of October 31, 2024, we have total outstanding borrowings of ₹ 4,318.79 Lakhs. We intend to utilize ₹ 3,472.84 Lakhs of the Net Proceeds towards the repayment, prepayment and/ or redemption of a portion of the outstanding borrowings availed by our Company i.e. 80.41% of total outstanding borrowings proposed to be repaid from the Net Proceeds. For further details, see “*Objects of the Offer – Details of the Objects*” on page 164.

- k) Insertion of additional risk factors pursuant to reply letter dated January 22, 2025

Insertion of new risk factors as Risk Factor No. 58

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

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

Our Company has entered into a joint venture (JV) arrangement structured as a partnership firm under the name M/s Grand Seven Hill Hotels (GSHH) through a partnership deed with Mr. R. Vijay Raghava Reddy, Mr. Ayush Vijay Reddy and Mr. Adith Vijay Reddy to operate one of our key properties namely Hotel Golden Tulip – Tirupati, located in Andhra Pradesh (Tirupati). Our Company has also entered into another JV arrangement structured as a partnership firm under the name ‘M/s Grand Continent Hotels - 1’ (GCH-1) through a partnership deed with LiftX and to operate one of our key property namely Hotel Regenta Inn - ORR Mahadevapura located in Karnataka, under the Golden Tulip/Tulip Inn brand. For further details, see “History and Certain Corporate Matters – Joint Venture Agreement” beginning on page 203.

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

Insertion of new risk factors as Risk Factor No. 59

We could be adversely affected due to misconduct, errors or frauds of our employees that are difficult to detect and any such incidents could adversely affect our financial condition, results of operations and reputation.

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions and damage our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

Insertion of new risk factors as Risk Factor No. 60

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

We utilize independent contractors for renovation of our hotel properties. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us, we may be unable to complete the project within the intended timeframe and at the intended cost. In the past three Financial Years, we have not incurred any losses as a result of our independent contractor's failure to perform their obligations. However, we cannot assure you that the services rendered by any of our contractors will always be satisfactory or match our requirements for quality and complete the project work in timely manner.

Insertion of new risk factors as Risk Factor No. 61

The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other

listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by the Stock Exchange.

Insertion of new risk factors as Risk Factor No. 62

We have not yet placed orders in relation to the funding capital expenditure requirements towards hotel properties which is proposed to be financed from the Net Proceeds of the Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to execute the contract in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

We intend to use a part of the Net Proceeds from the Offer for funding capital expenditure requirements of five hotel premises aggregating to ₹ 1,679.24 Lakhs (100% of the capital expenditure that is proposed to be funded through Net Proceeds), for further details, see “Objects of the Offer – Details of the Objects of the Offer – Expansion of our Hotel properties in India” on page 125 of this Draft Red Herring Prospectus. We are yet to place orders for the capital expenditure for the proposed plan. We have not entered into any definitive contract to utilize the net proceeds for this object of the Offer. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Our proposed plan may be subject to potential problems and uncertainties that projects may face including cost overruns or delays. Problems that could adversely affect our plans include increased costs of materials or manpower, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory, environmental and other regulatory approvals, incremental pre-operating expenses, taxes and duties, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these hotel properties, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

SECTION V: GENERAL INFORMATION

The section titled “General Information” beginning on page 85 of the Draft Red Herring Prospectus has been updated for removal of duplication of the name of Market Maker to the Offer:

MARKET MAKER TO THE OFFER

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

SECTION VI: CAPITAL STRUCTURE

The section titled “Capital Structure” beginning on page 97 of the Draft Red Herring Prospectus has been updated to remove an inadvertent mention of “Bonus in the ratio of 7:2 i.e., 7 Equity Share for every 1 Equity Shares held” instead of “Bonus in the ratio of 7:2 i.e., 7 Equity Share for every 2 Equity Shares held”

The extract of the rectified table in Sr. No. (3) of Notes to Capital Structure under the section “Capital Structure” on page 102 of the Draft Red Herring Prospectus is given below:

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

SECTION VII: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The chapter titled “Objects of the Offer” on page 112 of the Draft Red Herring Prospectus has been updated with modifications under the following heads: (a) Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by our Company, which includes revised the table disclosing details of loans to be repaid from the issue proceeds along with additional details/amendment to existing details such as date of disbursement, updating details of principal amount outstanding and interest rate as on January 13, 2025 and purpose for which loans were availed and actual utilization provided, and the inclusion of the complete name of “UC Credit” as “UC Inclusive Credit Private Limited”; and (b) Expansion of our hotel properties in India, which includes rectification of typo in identification of five hotel properties, corrections to the notes of the properties and the inclusion of total units or the basis of estimate in the table of the indicative list of machinery intended for purchase, along with details of the quotations, (c) Not applicability of firm arrangements, and (d) Appointment of Monitoring Agency, the revised extracts are as follows:

Details of the Objects of the Fresh Issue

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

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

Sr. No .	Name of the Lender	Date of Sanction letter/ facility agreement	Date of Disbursement of Loan	Nature of loan	Rate of interest as on date of this certificate (% per annum)	Sanctioned amount (in ₹ Lakh)	Total principal loan outstanding amount as on January 13, 2025 (in ₹ Lakh)	Repayment Schedule	Prepayment penalty/conditions	Purpose for which the loan was sanctioned	Whether the loan is utilised for the purpose for which it was availed
1	Bank of Baroda	04-01-2017	11-01-2017	Term loan	12.15%	70.00	6.22	60 months	NA	To start hotel lodging at Malleswaram , Bengaluru	Yes
2	Bank of Baroda	15-05-2021	18-05-2021	Term loan	9.25%	8.70	5.07	36 months	NA	Working Capital	Yes
3	Aditya Birla Finance limited	28-11-2018	04-12-2018	Term loan	12.50%	1,015.00	880.13	236 months	NA	Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indira nagar	Yes
4	Aditya Birla Finance limited	28-11-2018	21-08-2019	Line of Credit	12.50%	85.00	144.54	Yearly Renewal	NA	Day to day operations and working capital	Yes
5	Aditya Birla	25-03-2021	31-03-2021	Line of Credit	12.50%	60.00		Yearly Renewal	NA	Short Term working	Yes

	Finance limited									capital requirement	
6	Aditya Birla Finance limited	22-11-2022	28-11-2022	Term loan	11.30%	200.00	195.74	155 months	1%	Business Operations and working capital management of the Company	Yes
7	Aditya Birla Finance limited	22-11-2022	30-11-2022	Term loan	11.30%	250.00	244.36	155 months	1%	Business Operations and working capital management of the Company	Yes
8	Aditya Birla Finance limited	22-10-2020	24-10-2020	Term loan	12.50%	76.07	78.78	159 months	NA	The original purpose of the loan having sanction amount 1,015 Lakhs was Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indira nagar of which the Covid period	Yes

										moratorium payment has been converted into new loan	
9	Hinduja Finance	19-06-2023	13-06-2023 & 19-06-2023	Term loan	12.50%	1,100.00	1037.98	156 months	3%	Refinancing of existing debt from SBI and addition of 1 leased property in manyata tech park	Yes
10	Hinduja Finance	13-10-2023	13-10-2023	Term loan	12.00%	50.00	47.65	144 months	3%	Working Capital	Yes
11	UC Inclusive Credit Private Limited	27-03-2024	27-03-2024	Term loan	17.00%	500.00	416.13	36 months	2% [only after 12 months allowed]	For business expansion & meeting working capital requirements	Yes
12	BMW Financial Services	11-04-2024	17-04-2024	Car loan	9.25%	30.00	27.90	84 months	NA	Vehicle Purchase	Yes
13	UC Inclusive Credit Private Limited	30-10-2024	31-10-2024	Term Loan	17.00%	300.00	300.00	36 months	2%	For business expansion & meeting working capital requirements of Borrower	Yes
14	Ayesspea Holdings and Investmen	15-9-24	19-09-2024 & 23-09-2024	Inter Company deposit	25% at the time of repayment	100.00	100.00	6 months	NA	Financing for business needs	Yes

	t Private Limited										
						Total	3,484.50				

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

Under the heading “Expansion of our Hotel properties in India” on page 120 of the DRHP, we have updated the number of properties and the notes below the table for “detailed expenditure for properties proposed to be acquired” is amended as follows:

2. Expansion of our Hotel properties in India.

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

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

....

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

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

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

Note 4: Registration cost in

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

Under the heading “Expansion of our Hotel properties in India” on page 122 of the DRHP, the column on “Total units/ basis of Estimate” is amended as follows:

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

Nature of Expense	Name of Vendor	Date of Quotation	Validity of Quotation	Total units/ basis of Estimate	Total Cost (In ₹ lakhs)
Interior design consultancy, woodworks, electrical works, interior fitouts	IDA Interior Design Associates	07-Sep-24	01-Sep-25		₹ 343.34
-Carpentry work- Headboard/Small coffee table				Headboard: 119 rooms Coffee table: 140 rooms	
-Bathroom Hardware and Fixtures				140 rooms	
-UPHOLSTERY & FABRICS (chairs, curtains, wall papers)				227 rooms	
-ARTWORK/ ACCESSORIES				346 rooms	
- RECEPTION & LIFT LOBBY works				5 Properties	
- Restaurant Civil work, Carpentry, furnitures				4 Properties	

-GYM room work				5 gyms (1 in each Property)	
-Design Fees				5 Properties	
F&B, Kitchen small and large ware	United Glass & Crockery	14-Nov-24	6 months		₹ 101.65
-Restaurant & Banquet service ware				2333 pieces (pcs) x 7.5 restaurant count & 24 pcs per banquet x 5 properties	
-Kitchen equipments				92 pcs x 6.5 kitchen count	
-Kitchen utensils				391 pcs x 6.5 kitchen count	
Guest room infra & Banquet furniture	Giret International	16-Nov-24	1 year		₹ 54.37
-1 mini bar, 1 safe locker, 1 hair dryer, 1 electric kettle kit per room				4 pcs per room x 346 rooms	
-Banquet furniture (round & rectangular tables, table cloths, chairs & chair covers)				246 pcs per banquet x 5 properties	
Conference/Office chairs/table	MK Enterprises	04-Nov-24	1 year	60 conference chairs, 63 office chairs, and 5 conference tables	₹ 6.46
TV and Wall mounts for guest rooms	MB Smart Zone	05-Nov-24	05-May-25	199 Qty (1 each for 199 rooms)	₹ 23.01
Conference room TV	MB Smart Zone	16-Nov-24	16-May-25	5 Qty (1 each for 5 Conference rooms)	₹ 0.68
IT Infrastructure	Royal Elite Technologies	12-Nov-24	6 Months	5 servers (1 per property), 9 wifi zones (1 per property, 4 for property 5)	₹ 11.16
Banquet Infrastructure	Vinayaka Infotech	19-Nov-24	31-Mar-25		₹ 5.95
- Projector				5 numbers(nos) (1 per Property)	
- Podium				5 nos (1 per Property)	
- Screen				5 nos (1 per Property)	
- Chair Trolley				10 nos (2 per Property)	
- Other ancilliary Infra such as Hand/Collar Mike, White board/Magnetic Board with Stand and EZAL stand				7 pcs per banquet x 5 properties	
IT Infrastructure	Vinayaka Infotech	20-Nov-24	31-Mar-25		₹ 11.68
-Desktop				36 nos. (7 nos. per property 1 to 4 and 8 nos for property 5)	
-Laptop				10 nos. (2 nos. per Property)	

-Printer				10 nos. (2 nos. per Property)	
Reservation & Sales Software (INTERFACE WITH WIFI & CHANNEL MANAGER)	IDS	20-Nov-24	31-Mar-25	5 licenses (1 license each for 5 Properties)	₹ 8.75
TOTAL					₹ 567.05

On page 125 of the DRHP, above the heading “Interim Use of Net Proceeds”, the following table is inserted:

Firm Arrangements

The Company intends to finance the entire Objects from the Net Proceeds and internal accruals, there is no requirement to make firm arrangements of finance as prescribed under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing internal accruals and the Company is in compliance with the requirements prescribed under Regulation 230(1)(e) of the SEBI ICDR Regulations.

On page 125 of the DRHP, Under the heading “Monitoring of Utilisation of Funds”, the provision of monitoring agency is inserted and the revised paragraph is as follows:

Monitoring of Utilisation of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company has appointed [●] as the Monitoring Agency to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The table under the heading “Comparison of Accounting Ratios with Listed Industry Peers” and “Comparison of key performance of indicators with listed industry peer” in the chapter titled “**Basis for Offer Price**” beginning on page 127 of the Draft Red Herring Prospectus has been updated to include “Sayaji Hotels Limited” and “Royal Orchids Hotels Limited” as peer groups of the Company, the revised table is given below-

- A. On page 129 of the DRHP, the existing content on “Comparison of Accounting Ratio with Industry Peers” shall be substituted with the following:

6. Comparison of Accounting Ratios with Listed Industry Peers

The comparison of Accounting Ratios with Listed industry peers is given below:

Name of the Company	Current Market Price (₹)	Face Value (₹)	Basic EPS (₹)	Diluted EPS (₹)	P/E (x) times	RoNW(%)	Net Asset Value per share (₹)
Grand Continent Hotels Limited	[●]#	10.00	2.54	2.54	[●]#	26.67	75.17
Peer Group							
Lemon Tree Hotels Limited	151.65*	10	1.88	1.88	80.66	18.79%	12.20
Sayaji Hotels Limited	332*	10	8.18	8.18	31.8	9.04%	90.49
Royal Orchids Hotels Limited	354.95*	10	17.68	17.68	20.08	26.65%	69.55

*as on January 14, 2025 taken from www.bseindia.com

[●]#to be determined at Prospectus stage

Notes:

- (a) The figures for our company are based on Restated Consolidated Financial Statements for the period ended March 31, 2024.
- (b) The figures for the Peer Group are based on / computed based on the Consolidated Financial Statements for the year ended March 31, 2024
- (c) Current Market Price (CMP) is the closing price as on January 14, 2025 and is sourced from www.bseindia.com. For the company, CMP = Offer Price
- (d) P/E Ratio is sourced from www.bseindia.com.
- (e) RoNW has been computed by dividing restated net profit after tax with the average restated Net worth of beginning and the end of the year / period
- (f) The face value of our equity shares is ₹10/- per share.
- (g) Listed peers are as identified by us on the basis of similar line of business with the Company, however not comparable with size of the Company.

- B. On page 132 of the DRHP, the existing content on “Comparison of key performance of indicators with listed industry peer” shall be substituted with the following:

Comparison of key performance of indicators with listed industry peer:

We follow an asset light model with properties under direct lease model and operates in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. Other than disclosed below, we do not perceive any listed peer, Indian or otherwise, of a comparable size from the same industry and with similar business model.

Particulars	Unit	Grand Continent Hotels Limited			Lemon Tree Limited			Sayaji Hotels Limited			Royal Orchids Hotels Limited		
		FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022
Revenue from Operations	(₹ in Lakhs)	3,123.69	1,680.15	602.69	1,07,112.29	87,498.95	40,224.01	11,176.32	11,498.21	16314.92	29,361.05	26,354.88	13,852.39
Total Income	(₹ in Lakhs)	3,153.16	1,704.70	602.73	1,08,361.44	88,374.01	42,322.92	11,662.40	11,813.89	17,199.92	31,269.92	27,968.76	15,593.13
Total Income Growth (Y-o-Y)	%	84.97%	182.83%	-99.44%	22.62%	108.81%	59.72%	1.28%	31.31%	70.38%	11.80%	79.37%	75.52%
EBITDA (₹ in lakhs)	(₹ in Lakhs)	986.48	625.31	238.43	53,643.38	45,718.63	14,069.22	3,803.99	7,404.72	8,991.51	9,861.95	10,031.04	6,541.23
EBITDA Margin (%)	%	31.58%	37.22%	39.56%	50.08%	52.25%	34.98%	34.04%	64.40%	55.11%	33.59%	38.06%	47.22%
PAT	(₹ in Lakhs)	411.5	104.87	79.29	18,170.66	14,054.00	13,736.17	1,433.66	3,509.49	3305.28	5,082.35	4,922.31	2,678.46
Growth (%)	%	292.39%	32.26%	135.16%	29.29%	202.31%	26.36%	59.15%	6.18%	162.90%	3.25%	83.77%	166.94%
PAT Margin	%	13.05%	6.15%	13.16%	16.77%	15.90%	32.46%	12.29%	29.71%	19.22%	16.25%	17.60%	17.18%
EPS	(₹)	2.54	0.70	-0.53	1.88	1.45	-1.11	8.18	5.33	18.3	17.68	17.15	10.71
Return on Equity (ROE)	%	13.72%	178.56%	48.58%	18.79%	16.46%	16.52%	9.04%	14.10%	15.38%	26.65%	28.46%	21.39%
PE Ratio	Number	NA	NA	NA	69.55	53.30	57.21	35.09	57.61	15.01	20.49	15.78	11.41
Net debt	(₹ in Lakhs)	2,653.19	3,661.48	3,430.15	1,85,547.23	1,72,204.71	1,64,436.34	-231.14	1,909.88	2,109.00	4,323.04	3,491.10	6,142.33
Total Equity / Networth	(₹ in Lakhs)	2,999.33	58.73	163.21	96,689.03	85,372.77	83,124.88	15,852.07	24,898.07	21,486.58	19,073.99	17,296.65	12,519.46

Net Debt / Total Equity	Nu mb er	0.88	62.3 4	- 21.0 2	1.92	2.02	1.98	- 0.01	0.08	0.10	0.23	0.20	0.49
No. of Shares (in Lakhs)		399. 09	101. 00	101. 00	7,922 .46	7,922 .46	7,922 .46	175. 18	175. 18	175. 18	274. 25	274. 25	274. 25
NAV		7.52	0.58	-1.62	12.20	10.78	10.49	90.4 9	142. 13	122. 65	69.5 5	63.0 7	45.6 5

Note:

- 1) *Financial Information for Grand Continental Hotels Limited is taken from Restated Consolidated Financial Statements.*
- 2) *Financial information for listed industry peers mentioned above is sourced from the Annual report of Peer for the Fiscal 2024, 2023 and 2022*

SECTION VIII: ABOUT THE ISSUER

The chapter titled “*Our Industry*” beginning on page 142 of the Draft Red Herring Prospectus has been updated to include additional peer groups of the Company and the revised “*Our Industry*” chapter is as follows:

*Under the heading “**India mid-scale hotels market**” on page 147 of the DRHP, the following line was amended to include additional peer groups of the Company:*

...

The India mid-scale hotels market has evolved significantly over the past decade. Initially dominated by independent hotels and regional players, the segment saw a shift as international and national hotel chains recognized the potential in catering to middle-income travelers. **Indian hotel chains such as Bloom hotels, Fortune Park, Ginger, Lemon Tree Hotels, Royal Orchids, Sarovar Hotels Sayaji Hotels, The Grand Continent Hotel** and more have established a strong presence across the country, offering standardized yet affordable experiences. At the same time, global brands like Holiday Inn Express, ibis, and Fairfield by Marriott have expanded their mid-scale portfolios in India.

....

Under the heading “Overview Of The Major Players In Indian Mid-Scale Hotels Market” on page 158 of the DRHP, the following images and paragraph was amended to include additional peer groups of the Company:

Table 6.1 Company Overview of Major Players in India Mid-Scale Hotels Market

Player	Lemon Tree Hotels	Ginger Hotels	Bloom Hotels	Fortune Park Hotels	Royal Orchid	Sayaji Hotels
Establishment Year & Parent Company	2004, Lemon Tree Hotels Limited (LTHL)	2004, IHCL	2011, Imperativ Hospitality	1995, ITC Ltd.	1973, Royal Orchid Hotel	1982, Sayaji Hotels Ltd.
Operational Hotels	100+	57	55+	48	100+	26
Number of rooms	9,000+	~6,000	4,300+	3,800+	5,900+	1,800+
Key Locations	NCR, Mumbai, Kolkata, Bengaluru, Hyderabad, Ahmedabad, Chandigarh, Jaipur, Udaipur, Kochi, Ludhiana & others	Bangalore, Chennai, Goa, New Delhi, Pune, Mumbai & others	Mumbai, Bengaluru, Delhi, Gurugram, Pune, Goa, Udaipur, Amritsar, Kochi & others	Goa, Ahmedabad, Gandhinagar, Madhurai, Gurugram, Kolkata & others	Agra, Ahmedabad, Chennai, Surat, Dwarka, Udaipur & others	Indore, Pune, Vadodara, Raipur, Morbi, Bhopal & others
Sub-Brands	<ul style="list-style-type: none"> Aurika Hotels and Resorts Lemon Tree Premier Lemon Tree Hotels Red Fox by Lemon Tree Hotels Keys Prima by Lemon Tree Hotels Keys Select by Lemon Tree Hotels Keys Lite by Lemon Tree Hotels 	NA	<ul style="list-style-type: none"> Bloom Hotel Bloom Hub Bloom Suites Bloom Rooms Bloom Boutique X by Bloom 	<ul style="list-style-type: none"> Fortune Select Fortune Park Fortune Resort Fortune Inn 	<ul style="list-style-type: none"> Royal Orchid Royal Orchid Central Royal Orchid Suites Regenta 	<ul style="list-style-type: none"> Sayaji Effotel Enrise

Source: Ken Research Analysis

Table 6.2 provides a snapshot of the financial performance of key players in India’s mid-scale hotel market for FY23. Lemon Tree leads with the highest revenue, PAT, and EBITDA, showcasing its dominant position. Roots Corp. (Ginger) and Royal Orchid follow, with a significant gap from Lemon Tree but still maintaining strong

profitability. Bloom Hotels, Fortune Park and Sayaji Hotels, while smaller, reflect steady growth, indicating rising competition in the segment.

Table 6.2 Overview of Major Players in Mid-Scale Hotels Market of India, FY23 in INR Cr

Financial Parameters	Lemon Tree	Roots Corp. (Ginger)	Bloom Hotels	Fortune Park	Royal Orchid	Sayaji Hotels
Total Revenue	875.0	306.7	144.0	44.4	263.5	271.1
EBITDA	544.2	74.0	12.4	8.0	81.8	82.9
PAT	139.7	71.1	6.0	5.3	49.2	35.1

Source: Interview with Industry Experts, Company Financial Reports and Ken Research Analysis

OUR BUSINESS

The chapter titled “*Our Business*” beginning on page 164 of the Draft Red Herring Prospectus is updated to include/remove the following points: a. Removal of information in the description of the Company, b. parameters for categorization of hotels into Economy hotels, Mid-price hotel and Upper Mid-price hotel, c. removal of logo of Sarovar Hotels and Royal Orchid, d. Removal of superlatives in the chapter, e. insertion of marketing strategy of the Company, f. year-wise details of key people ratio for the last 3 financial years and stub period ended September 30, 2024, g. bifurcation of human resource into permanent and contractual across the Company and JV Partner Entities, h. Updation of details of insurance policy and expiry dates, and i. additional details on “Land and Property” owned and leased by the Company such as Lessor is a related party (including whether a member of the promoter/ promoter group) and Adequately Stamped / Registered etc

On page 164 of the DRHP, the following paragraph was removed:

Business Overview:

~~Our Promoter Mr. Ramesh Siva started the hospitality business by setting up its first hotel property in Bengaluru with 54 keys under the name and style “Grand Continent” on October 21, 2010 on leased premises located at 44 B, 1st Main Road, J P Nagar, 3rd Phase, Bengaluru – 560078 in the legal name of “M/s Elysium Holidays India Private Limited”. During covid-19 pandemic period, the lease of this property got expired on October 21, 2020 and could not be renewed.~~

On page 164 of the DRHP, the following paragraph was updated to remove superlatives and include additional places where Company has operations:

We operate in the mid-scale hotel sector, consisting of the upper-mid priced, mid-priced and economy hotel segments. We seek to cater to Indian middle-class guests and business travellers and to deliver differentiated yet ~~superior~~ comfortable service offerings, with a value-for-money proposition. Our Company along with the JV Partner Entities have 16 operational hotel properties and operates a total of 753 hotel keys as of September 30, 2024 across states of Karnataka (Bengaluru/Mysuru), Tamil Nadu (Hosur), Goa (Anjuna/Morjim), Andhra Pradesh (Tirupati) and Telangana (Secunderabad). The split of our hotel keys under upper – mid priced, mid-priced and economy segment are as follows:

Details	(No. of keys)				CAGR (%)
	As at Six months period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	
Upper – Mid Priced	218	180	88	0	43.74
Mid - Priced	511	327	217	168	37.41
Economy	24	24	24	24	0
Total	753	531	329	192	47.76

On page 164 of the DRHP, the following paragraph was inserted to include parameters for classification of hotel keys under upper – mid priced, mid-priced and economy segment:

The categorisation of hotel properties/keys into economy, mid-priced and upper mid-priced segment has been provided based on combination of

- (a) average daily rate (ADR); and
- (b) amenities provided at the facility/hotel

Accordingly, we have used the guidance given in the chapter titled “*Our Industry*” in the DRHP to categorize the hotel properties/key under our management as follows:

- a. **Economy hotels:** with ADR less than INR 3,000/- and basic room and limited amenities.

- b. **Mid-price hotel:** with ADR in range of INR 3,000 – 3,750, providing amenities like free wi-fi, coffee shop (12hours x 7days), breakfast buffet, room service and fitness centre.
- c. **Upper Mid- Price hotel:** with ADR in range of INR 3,750 – 5,000 and providing amenities like free wi-fi, coffee shop (12 hours x 7 days), breakfast buffet, room service and fitness centre; and additional services like banquets, swimming pool, and larger room sizes, at reasonable cost.

For further details, kindly refer to section titled “*Our Industry*” beginning on page 146 of the Draft Red Herring Prospectus.

On Page 165 of the DRHP, the below image was replaced with name of Royal Orchid and Sarovar Hotels instead of their logo:

Our Key Brands

Own Brand	Franchise Partners	
 <p>Current Properties</p> <ol style="list-style-type: none"> 1. Grand Country Stays, Bannerghatta Rd 2. Grand Continent Hotel, Morjim 3. Grand Continent Hotel, Devanahalli <p>Our owned and registered brand</p>	<p>ROYAL ORCHID</p> <p>Current Properties</p> <ol style="list-style-type: none"> 1. <u>Regenta</u> Inn Grand, Koramangala 2. <u>Regenta</u> Inn, Indiranagar 3. <u>Regenta</u> Inn 4th Block, Koramangala 4. <u>Regenta</u> Inn ORR, Mahadevapura <p>We handle franchise operations for Royal Orchid and Sarovar, overseeing the operation and maintenance of 13 properties under these sub-brands in Bengaluru, Mysuru, Tirupati, Goa, <u>Secunderabad</u> and Hosur</p>	<p>SAROVAR HOTELS/SAROVAR</p> <p>Current Properties</p> <ol style="list-style-type: none"> 1. Grand Continent, Malleswaram 2. Tulip Inn Koramangala 3. Golden Tulip Tirupati 4. Grand Continent Hosur 5. Grand Continent Hebbal 6. Grand Continent <u>Secunderabad</u> 7. Grand Continent <u>Anjuna</u> 8. Grand Continent Mysuru 9. Grand Continent, Brookfield

Our dedicated in-house asset management team includes experienced hospitality professionals to oversee key operational aspects, such as procurement, marketing, human resource management and capital expenditure decisions. Our asset management practices are designed to provide a ~~superior~~ **comfortable** experience for guests, tenants and consumers and are driven by comprehensive procedures aimed at improving the operational performance of our assets through increased occupancy rates and revenue generation, as well as enhanced cost efficiencies. All our hotel properties are well staffed with security, front desk, housekeeping and food and beverages service coverage to ensure that we create a well-rounded service experience for our guest.

On Page 168 of DRHP, the below paragraph was inserted to include the marketing strategy used by the Company to acquire customers

Marketing Strategy –

Our marketing approach is multifaceted, designed to address the unique demands of various destinations, micro-markets, and consumer groups. We empower our properties with robust sales and marketing initiatives, leveraging the following channels:

1. In-House Sales Team: A dedicated team of professionals focused on enabling tie ups with corporates and travel agency firms to tap into the business travel market.
2. Franchise Partner Networks: we have trademark license agreements | franchisee agreements with Sarovar Hotels Private Limited and /or Royal Orchid Associated Hotels limited with gives us access to the sales office network of both these firms for lead generation for our properties.

3. Online Travel Agents (OTAs): A strong presence in electronic distribution channels such as booking.com, makemytrip, goibibo, agoda etc.
4. User-Friendly Website: A fully-enabled website for seamless, instant online reservations.
5. Trade Platforms: Active participation in trade fairs and similar events across India

On page 169 of the DRHP, the below paragraph was amended to remove superlatives and the revised paragraph is as follows:

OUR COMPETITIVE STRENGTHS

1. Premium hospitality offerings in mid-priced segment.

Our strength lies in providing premium hospitality experiences within the mid-priced segment. We deliver ~~high~~ quality service and elegant accommodations at competitive rates, ensuring that guests receive exceptional value without compromising on luxury. We offer spacious accommodations in prime locations. Our culinary services feature diverse options tailored to customer preferences, maintaining ~~top-notch~~ **good** hygiene standards. Additionally, we provide quick and efficient room service to enhance our guests' experience.

On page 170 of the DRHP, the below paragraph was amended to remove superlatives:

OUR GROWTH STRATEGIES

1. Developing and expanding our hospitality assets

We plan to consolidate our hotel properties across Southern India to strengthen our presence in this region. At the same time, we are actively pursuing expansion opportunities in Northern and Western India, focusing on major business hubs and popular leisure destinations. Our goal is to identify and secure key properties in prime locations, which will enhance our market presence and cater to a broader customer base. We are also open to exploring opportunities in Central and Eastern India to ensure a well-rounded geographical footprint.

Our expansion strategy is ambitious, with a target of doubling our capacity every year for the next 5 years. This aggressive growth plan ~~is designed to~~ **will** position us as ~~a leading~~ **a resilient** player in the domestic hospitality industry. As part of our long-term vision, we are also planning to expand into key international business hubs, allowing us to better serve our business customers on a global scale. This international expansion will enable us to tap into new markets, diversify our offerings, and further solidify our brand's presence worldwide.

On page 171 of the DRHP, the below paragraph was revised to include the Key: People ratio for the last 3 financial years and stub period ended September 30, 2024:

2. Improving operational efficiency to achieve superior performance.

...

We also plan to improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation. ~~We have achieved best possible Key: People ratio of about 1:0.7.~~ We are now planning to increase hospitality experience through retention, upskilling, improving employee experience, implementation of performance linked incentives etc. **We have achieved best possible Key: People ratio over past three financial years and stub period ended on September 30, 2024, details of which are as follows:**

Fiscal	Staff linked to operations*	Keys*	Ratio
2021-2022	58	192	0.3
2022-2023	71	329	0.2
2023-2024	231	531	0.4
September 30, 2024	502	753	0.7

** No. of Employees and Operation Key data taken on last day of the year/period*

Under the heading “Human Resource” on page 180 of the DRHP, the below paragraph and table was revised to include bifurcation of total employees into contractual and permanent employees:

HUMAN RESOURCE

...

As at September 30, 2024, we have 538 permanent and contractual employees. We seek to maintain a culture of innovation by empowering our employees at all levels of our organization. Our success depends upon our ability to attract, develop, motivate and retain highly-skilled and multi-dimensional team members. The detailed breakup of our employees are as follows:

Sr no.	Department	GCH		GCH 1		GSHH		Total
		On Payroll	On Contractual basis	On Payroll	On Contractual basis	On Payroll	On Contractual basis	
1.	Management	2	--	--	--	--	--	2
2.	Legal & Secretarial	2	--	--	--	--	--	2
3.	Account & Finance	20	--	1	--	3	--	24
4.	Operations	336	31	21	2	72	--	462
4A	Operations- In-house asset management team	20	--	2	--	6	--	28
5.	Management Support	4	--	--	--	--	-	4
6.	Human Resource and Admin	3	--	--	--	--	--	3
7.	Sales & Marketing	11	--	2	--	--	--	13
	Total	398	31	26	2	81	0	538

Under the heading “Insurance” on page 180 of the DRHP, the below table was revised to include renewed polices and remove duplicate entries of policy, the revised extract is as follows:

INSURANCE

We maintain a range of insurance policies to cover our owned properties located at Bengaluru, Karnataka, against fire, earthquake and related perils.

Sr no.	Policy No.	Insurance co.	Name of insurance policy	Assets/ Location of assets	Sum Insured (in ₹)	Premium (in ₹) excluding GST	Expiry date
2	0102001123P1110807470102001124 P113362874	United India Insurance Company Limited	United Bharat Sookshma Udyam Suraksha Policy	648B, 1st phase, 1st stage, Binnmangala, Indira Nagar, Bengaluru	2,00,00,000	8,040	November 30, 20242025

				– 560038, Karnataka , India			
3	6202346279	Tata AIG General Insuran ce Compa ny Limited	Auto Secure - Private Car Package Policy	Vehicle	5,400,00 0 4,860,00 0	80,973 75,822	Decem ber 27, 2024 2025
						
8	6201671660-01-00	Tata AIG General Insuran ce Compa ny Limited	Auto Secure— Standal one Own Damage Private Car Policy	Vehicle	16,82,69 4	21,099	August 03, 2025
9	6202346279-0000	Tata AIG General Insuran ce Compa ny Limited	Auto Secure— Private Car Package Policy	Vehicle	54,00,00 0	68,621	Decem ber 27, 2024

Under the heading “Land And Property” on page 185 of the DRHP, the below tables were updated to include “lessor is a related party” and “whether agreements are adequately stamped/ registered”:

LAND AND PROPERTY

Registered Office and Corporate Office:

Sr no.	Location of the property	Purpose	Lease Rent* (in lakhs)	Lessor is a related party (including whether a member of the promoter/ promoter group)	Adequately Stamped/ Registered	Tenor	
						From	To
1	S No. 245/1A/1B, Venpursham Village, Veeralapakkam, Thiruporur, Chengalpattu,	Registered Office	15.00	No	Yes	30.09.2024	31.03.2031

	Mamallapuram, Kanchipuram, Tirukalikundram - 603110, Tamil Nadu, India.						
2	Old Katha No. 704, House List No. 637/2, New BBMP Municipal No. 3, situated at 3rd Main Road, K.R. Garden, Koramangala 8th Block, Bengaluru - 560095, Karnataka, India.	Corporate Office	NA	NA	NA	Owned	

Operational Leasehold Properties

Sr no.	Location of the property	Lease Rent* (in lakhs)	Lessor is a related party (including whether a member of the promoter/ promoter group)	Adequately Stamped / Registered	Tenor	
					From	To
1	Hotel Regenta Inn - 4th block Koramangala No. 73, 1st main road, S.T. Bed, Koramangala 4th block, Koramangala, Bengaluru - 560034, Karnataka, India.	4.25	No	Yes	01.07.2022	30.06.2032
2	Hotel Regenta Inn - ORR Mahadevapura Fern City Road, Doddanekkundi, K.R. Pura Hobli, Bengaluru - 560037, Karnataka, India.	11.03	No	No	09.09.2022	08.09.2032
3	Hotel Grand Continent – Secunderabad Building No./Flat No. 8-1-1 2/1 to 4 and 8-1- 3/4 to 3, Oxford Street, S.D. Road, Secunderabad - 500003, Hyderabad, Telangana, India.	10.00	No	Yes	01.02.2024	31.01.2033
4	Hotel Tulip Inn - Ejipura Koramangala Municipal No. 9, 100 feet Road, Ejipura,	13.20	No	Yes	01.10.2021	30.09.2031

	Bengaluru - 560047, Karnataka, India.					
5	Hotel Grand Premier Suites - Malleswaram No. 18 &19, 1st cross, Malleswaram, Bengaluru - 560003, Karnataka, India.	6.50	No	No	Original lease date - 01.02.2017 Revised lease date - 04.12.2023	03.12.2032
6	Hotel Grand Continent – Hosur No. 75, Ward no 3, Bagalur road, AvalapalliHudco, Hosur -635109, Tamil Nadu, India.	10.16	No	No	28.08.2023	27.08.2031
7	Hotel Grand Continent – Anjuna H. No. 1702, Anjuna, Bardez - 403509, Goa, India.	15.00	No	No	01.04.2024**	31.03.2034
8	Hotel Grand Continent - Hebbal Manyata No. 115, site No. 43, Nagavara Village, Kasabahobli, Bengaluru - 560045, Karnataka, India.	12.00	No	No	25.10.2023	30.06.2041
9	Hotel Golden Tulip – Tirupati Ward no. 20, Sivajyothi Nagar, near Nandi Circle, Tirupati - 517507, Andhra Pradesh, India.	22.05	No	No	17.07.2022	16.07.2031
10	Hotel Grand Continent - Bannerghatta Road No. 26, Bharat House Building Co-operative Society, BTM Layout, Bengaluru - 560065, Karnataka, India.	3.50	No	No	Original lease date - 04.04.2016 Revised lease date - 01.01.2024	31.12.2033
11	Hotel Grand Continent – Morjim Survey No. 207/7, Sakhribatle, Morjim, Pernem - 403509 Goa, India.	15.00	No	No	01.03.2024	28.02.2034^
12	Grand Continent – Mysore No. 7, ShalivahanaRoad, Nazarbad Mahalla, Mysore- 570010, Karnataka, India.	8.00	No	Yes	11.04.2024	10.04.2035
13	Hotel Grand Continent – Brookfield	22.00	No	No	01.04.2024	31.03.2034

	Sy no. 74/1, ITPL main road, Thubarahalli, Bengaluru- 560066, Karnataka, India.					
14	Hotel Grand Continent – Devanahalli No. 15, Downtown Park, Sadahalli Road & Gate, Bangalore International Airport Road, Bengaluru- 562157, Karnataka India.	9.75	No	Yes	01.03.2024	28.02.2034

**per month as on November 01, 2024*

*** property under possession since agreement date February 23, 2024*

^considering automatically renewal term

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

The chapter titled “*History and certain other Corporate Matters*” beginning on page 196 of the Draft Red Herring Prospectus has been updated to include a) the footnote below the table giving details of number of share subscription agreement executed by the Company and b) the name of third parties with Franchise agreement and licensing agreement is entered under the heading “*Other Agreements*” and “*Franchise agreement and licensing agreement in respect of “Tulip INN”*” respectively as given below-

“Except as disclosed below, as on the date of this Draft Red Herring Prospectus, our Company has not entered into any shareholders’ agreements nor is aware of any such agreement subsisting between the shareholders to which our Company is not a party.

Share subscription agreements between Our Company and some of its shareholders

Set out below are details of number of share subscription agreements executed by our Company with some of its investor shareholders (“**Share Subscription Agreements**”):

Share subscription agreement dated	Name of investor shareholder	Issue Price (in Rs.)	Investor Shares	Aggregate Consideration (Rupees in Lakhs)
December 23, 2023	Negen Undiscovered Value Fund	250	2,00,000	500.00
January 3, 2024	Mr. Dhruv Gandhi*	258	9,750	25.15
January 3, 2024	Mrs. Nipa Prashant Sheth*	258	9,750	25.15
January 8, 2024	Mrs. Meeta Hiten Mehta*	258	9,750	25.15
January 8, 2024	Odyssey Corporation Limited	258	1,26,000	325.00
February 14, 2024	Mr. Ajay Jaisinghani	258	24,500	63.21
February 14, 2024	Ms. Diypti Bharwani	258	9,750	25.15
February 14, 2024	Mrs. Reina Ramesh Jaisinghani	258	77,500	199.95
February 14, 2024	Ms. Ritika Jaisinghani	258	29,250	75.46
March 21, 2024	Mr. Ajay Jaisinghani	295	33,750	99.56
March 21, 2024	Mr. Giridhari Jaisinghani	295	17,000	50.15
March 21, 2024	Meher Sahil Kukreja Trust	295	7,000	20.65
March 21, 2024	Mittal Analytics Private Limited	295	80,000	236.00
March 21, 2024	Mrs. Monisha Khanchandani	295	8,500	25.07
March 21, 2024	Mrs. Reina Ramesh Jaisinghani	295	33,750	99.56

** Our Company has agreed to arrange to make an initial public offering (IPO) of the Equity Shares of Our Company within 24 (Twenty-Four) Months from the closing date (as defined under respective Share Subscription Agreements)*

The key terms of the Share Subscription Agreements are as under:

1. The Company has agreed to arrange to make an initial public offering (IPO) of the Equity Shares of Our Company within 12 (Twelve) or 24 (Twenty-Four) Months from the closing date (*as defined under respective Share Subscription Agreements*).

2. It has been further agreed by the parties that in the event the Company fails to make an IPO within 12 (Twelve) / 24 (Twenty-Four) Months from the closing date or if the Board or its appointed committee determines that the Company shall not proceed with the IPO, Our Company has agreed to provide an exit opportunity to the investor at its sole option by way of:
 - (a) buy back all of the Investor Shares held by the Investor at an IRR of 18%; or
 - (b) permit Investor to continue to hold the Investor's Shares in the Company on the terms and conditions decided mutually between the Parties at that time; or
 - (c) to find new purchaser(s) to buy the Investor Shares.
3. Until the IPO, the remuneration structure for the Promoter Directors of the Company is restricted to a fixed component capped at not exceeding lower of ₹ 30 (Thirty) lakhs per annum per Promoter Director or the amount derived by augmenting the Directors' remuneration from the preceding financial year by not more than the percentage growth in Profit After Tax (PAT) during the same period. In addition, each Director is eligible for a performance-linked pay, not exceeding 5% of the PAT, contingent upon surpassing predetermined performance targets as per the terms of the Share Subscription Agreements.
4. The Share Subscription Agreements will automatically be terminated upon completion of the IPO.”

Other Agreements:

The name of third parties in the Franchise agreement and licensing agreement has been updated under the heading *“Franchise agreement and licensing agreement in respect of “Tulip INN”* on page 203 of the Draft Red Herring Prospectus as follows

“Franchise agreement and licensing agreement in respect of “Tulip INN”

Our Company has entered franchise agreement with Sarovar Hotels Private Limited (as “Tulip INN Franchisor”) dated December 26, 2021 (“Tulip INN Franchise Agreement”) pursuant to which the Company being franchisee has been granted a non-assignable, non-exclusive license to use the brand name Tulip INN (“Brand”), centralized reservation system, Golden Tulip standards, manual, know how, and training programs and materials in connection with the operation of Hotel Tulip Inn - Ejipura Koramangala. The Tulip INN Franchise Agreement shall end on tenth anniversary of the operation start date i.e. January 01, 2022 to December 31, 2031 (“Initial Term”). Further, the Initial Term shall be automatically extended for further period of 10 years (“Extended Term”). The Tulip INN Franchisor has been granted from third party/original licensee i.e. GT Investments B.V. (a company organized under the laws of Netherlands) the right to use and sub-license the Brand for the purpose Tulip INN Franchise Agreement. The original licensee i.e. GT Investments B.V. vide an Indefinite and non-exclusive agreement has granted a license of brand name Tulip INN to Louvre Hotels India private Limited (LHI). Hence, as a part of Tulip INN Franchise Agreement, Our Company has entered into trademark license agreement with the third party/ sub licensee i.e. LHI, pursuant to which a non-exclusive license has been granted to the Company to use the said Brand for the purpose of operating, publicising and marketing the hotel- Koramangala Property, Karnataka.”

SECTION IX: FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The chapter titled “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 267 of the Draft Red Herring Prospectus has been updated to removal superlative from the heading ‘Management and operations’ and also rectified the amounts of Contingent Liabilities in the last 3 financial years on page 284 of the Draft Red Herring Prospectus as follows :-

Management and operations

Our dedicated in-house asset management team includes experienced hospitality professionals to oversee key operational aspects, such as procurement, marketing, human resource management and capital expenditure decisions. Our asset management practices are designed to provide a ~~superior~~ comfortable experience for guests, tenants and consumers and are driven by comprehensive procedures aimed at improving the operational performance of our assets through increased occupancy rates and revenue generation, as well as enhanced cost efficiencies. All our hotel properties are well staffed with security, front desk, housekeeping and food and beverages service coverage to ensure that we create a well-rounded service experience for our guest.

Contingent Liabilities, capital and Other Commitments

As at March 31, 2024, March 31, 2023 and March 31, 2022, estimated amounts of contingent liabilities amounted to ₹29.11 Lakhs, ₹ 23.29 Lakhs and ₹ 22.1 Lakhs in each year, respectively.

The commitments as at March 31, 2024 was ₹83.56 Lakhs, March 31, 2023 was ₹4.47 Lakhs and March 31, 2022 was Nil.

FINANCIAL INDEBTEDNESS

The chapter titled “*Financial Indebtedness*” beginning on page 288 of the Draft Red Herring Prospectus has been updated which includes revised table under the head (a) ‘Details Of Secured Loans Including Summary Of Principal Terms Of Secured Loans And Assets Charged As Security’ disclosing the purpose for which the loan was sanctioned in relation to term loan from Aditya Birla Finance limited, (b) the complete name of “UC Inclusive” given in the table, (c) under the head ‘Unsecured Loans As On October 31, 2024’ disclosing the date of loan taken from Ayesspea Holdings and Investment Pvt Ltd., and (d) final redemption date of non-convertible debentures given had been inadvertently mentioned as ‘September 02, 2024’ instead of ‘September 02, 2027’, the revised extracts are given below-

A. SECURED LOANS:

DETAILS OF SECURED LOANS INCLUDING SUMMARY OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Category of borrowing	Name of the Lender	Sanctioned Amount (₹ in Lakhs) as on October 31, 2024	Outstanding amount (₹ in Lakhs) as on October 31, 2024	Rate of Interest p.a.	Tenure	Repayment Terms	Collateral / Asset Charged	Purpose for which the loan was sanctioned
....
Term loan	Aditya Birla Finance limited *	200	194.66	11.30 %	155 months	Monthly EMI	Primary /collateral security: Current assets-hypothecation of debtor and stocks and property -first charge on Indira Nagar property	Business Operations and working capital management of the Company
Term loan	Aditya Birla Finance limited *	250	243.01	11.30 %	155 months	Monthly EMI	Personal guarantee from Ramesh Siva, Vittal Vidya Ramesh and Deepthi Siva	
Term loan	Aditya Birla Finance limited *	76.07	77.67	12.50 %	159 months	Monthly EMI		The original purpose of the loan having sanction amount Rs.1,015 Lakhs was

								Refinancing of TL of Rs. 615 Lakhs from IVL Finance Limited and Rs. 400 Lakhs for construction of hotel at Indira nagar of which the Covid period moratorium payment has been converted into new loan
Term loan	UC Inclusive Credit Private Limited	500	458.95	17.00 %	36 months	Monthly EMI	Exclusive charge on fixed assets, Non-current assets (including intangible assets such as intellectual property, trademarks, copyrights etc..) and current assets, present & future) pertaining to hotels- Manyata, Sunderaraj, Goa (Anjuna) and Devanahalli, to the extent of 120% of outstanding loan and personal guarantee from Ramesh Siva, and Vittal Vidya Ramesh	For business expansion & meeting working capital requirements
.....
Term loan	UC Inclusive Credit Private Limited	300	300	17.00 %	36 months	Monthly EMI	Exclusive charge on fixed assets, Non-current assets (including intangible assets such as intellectual property, trademarks, copyrights	For business expansion & meeting working capital requirements

						<p>etc..) and current assets, present & future) pertaining to hotels run/managed/ operated by Borrower's management to the extent of 120% (one hundred and twenty percent) of the outstanding loan amount. These hotels are identified as per the address mentioned below.</p> <ul style="list-style-type: none"> • Brookfield: Sy. No. 74/1, Opposite AECS Layout, ITPL Main Road, Thubarahalli - 560066 • Mahabalipura m: New S. No. 245/1A/1B, Venpursham Village, Mamallapura m, Veeralapakkam, Thirup orur, Chengalpattu, Tamil Nadu - 603110 <p>personal guarantee from Ramesh Siva, and Vittal Vidya Ramesh</p>	
--	--	--	--	--	--	--	--

B. UNSECURED LOANS AS ON OCTOBER 31, 2024:

Category of borrowing	Name of the Lender	Sanctioned Amount (₹ in lakhs) as on October 31, 2024	Date of loan taken	Outstanding amount (₹ in Lakhs) as on October 31, 2024	Rate of Interest	Tenure	Repayment Terms	Purpose
Inter Company Deposit	Ayesspea Holdings and Investment Private Limited	100.00	19-09-2024 and 23-09-2024	100.00	25% at the time of repayment	6 months	NA	Financing for business needs

Principal Terms and Conditions of the borrowings availed by the Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by the Company:

a) **Tenor and interest rate:**

The Company has also issued unlisted, secured, redeemable, unrated non-convertible debentures in two tranches and has entered into certain borrowing documentation including debenture trust deed, and in terms of such borrowing documentation, a specified coupon rate of 16% (plus withholding tax, as applicable) is to be paid per annum. The final redemption date of such non-convertible debentures is ~~September 02, 2024~~ 2027

SECTION XIII: OTHER INFORMATION

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY



Ramesh Siva
(Chairman & Managing Director)
DIN: 02449456

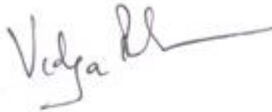
Date: 25th Feb 2025

Place: DUBAI

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY



Vidya Ramesh
(Whole-time Director)
DIN: 02127241

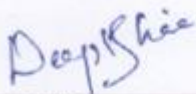
Date: 25.02.2025

Place: DUBAI

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY



Deepthi Shiva
(Non-Executive Non- Independent
Director)
DIN: 08416405

Date: 25.02.25

Place: Dubai

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

S.C. Sekhse

Chandrasekhar Sundaram
(Non-Executive Independent
Director)
DIN: 00024184

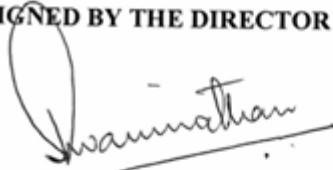
Date: *25 February 2025*

Place: *New Delhi*

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY



Vishwanathan Swaminathan
(Non-Executive Independent
Director)
DIN: 00238629

Date: 25 February, 2025

Place: New Delhi

DECLARATION

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

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY



Mithun Jayaraman
(Chief Financial Officer)

Date: 25/2/25

Place: BENGALURU

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Ramesh Siva, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Addendum to the Draft Red Herring Prospectus in relation to me, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other person(s) in this Addendum to the Draft Red Herring Prospectus.



Ramesh Siva

Date: 25th feb 25

Place: Dubai