



(Please scan this QR Code to view the RHP)

APEEJAY SURRENDRA PARK HOTELS LIMITED

Our Company was originally incorporated at Karnataka on November 27, 1987, as Budget Hotels Private Limited, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 27, 1987 issued by the Registrar of Companies, Bangalore at Karnataka. Subsequently, the name of our Company was changed to Budget Hotels Limited pursuant to our Company becoming a public company with effect from October 26, 1990 and noting of such conversion in the certificate of incorporation by Registrar of Companies, Bangalore at Karnataka. Subsequently, the name of our Company was changed to Budget Hotels Limited pursuant to our Company becoming a public company with effect from October 26, 1990 and noting of such conversion in the certificate of incorporation by Registrar of Companies, Bangalore at Karnataka. Further, pursuant to the Acquisition Agreements, the entire issued and paid-up equity share capital of our Company constituting 571,940 equity shares of face value of ₹ 100 each, was acquired by Apeejay Hotels Delhi in two tranches and our Company became the wholly owned subsidiary of Apeejay Hotels Delhi. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the High Court of Madras dated June 13, 2003, High Court of Delhi dated August 6, 2003, and High Court of Karnataka dated September 17, 2003, Apeejay Hotels Delhi, and Gemini Hotels and Holdings Limited (a wholly owned subsidiary of Apeejay Hotels Delhi) were amalgamated with our Company, with the appointed date being April 1, 2001. Thereafter, to closely identify the association of our Company with the Apeejay Surrendra Group, the name of our Company was changed from Budget Hotels Limited to Apeejay Surrendra Park Hotels Limited, pursuant to the resolution passed by our Shareholders at their EGM held on March 8, 2004 and the certificate of incorporation pursuant to change of name was issued by the RoC on March 29, 2004. Further, pursuant to our Shareholders' resolution dated November 30, 2016 and order dated June 22, 2017 passed by the Regional Director, South East Region, Hyderabad, our registered office was shifted from the State of Karnataka to State of West Bengal. For further details relating to changes in the registered office and name of our Company, see "History and Certain Corporate Matters – Changes in the registered office of our Company" on page 282 of the red herring prospectus of our Company dated January 29, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered Office: 17, Park Street, Kolkata – 700 016, West Bengal, India;
Corporate Office: The Park Hotels, N-80, Connaught Place, New Delhi – 110 001, India; Telephone number: +91 33 2249 9000;
Contact person: Shalini Keshan, Company Secretary and Compliance Officer; E-mail: investorrelations@asphl.in; Website: www.theparkhotels.com
Corporate Identity Number: U85110WB1987PLC222139

OUR PROMOTERS: PRIYA PAUL, KARAN PAUL, APEEJAY SURRENDRA TRUST AND GREAT EASTERN STORES PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF APEEJAY SURRENDRA PARK HOTELS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ 9,200.00 MILLION (THE "OFFER"), COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,000.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,200.00 MILLION, COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,960.00 MILLION BY APEEJAY PRIVATE LIMITED (THE "PROMOTER GROUP SELLING SHAREHOLDER"), UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 230.00 MILLION BY RECP IV PARK HOTEL INVESTORS LTD AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 10.00 MILLION BY RECP IV PARK HOTEL CO-INVESTORS LTD (TOGETHER REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER GROUP SELLING SHAREHOLDER, REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") ("OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ 100 MILLION (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 THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, IN CONSULTATION WITH BOOK RUNNING LEAD MANAGERS ("BRLMS"), OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹ 7 PER EQUITY SHARE) OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS			
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED (AMOUNT IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)^
Apeejay Private Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 2,960 million	0.75
RECP IV Park Hotel Investors Ltd	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 230 million	109.81
RECP IV Park Hotel Co-Investors Ltd	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 10 million	77.67

^As certified by Raj Har Gopal & Co., Chartered Accountants, by way of their certificate dated January 29, 2024.

We operate our hotels through a combination of the following: (i) direct ownership of hotel properties, (ii) long-term lease for the land and/or buildings, (iii) operation and management agreements on a contractual basis using our brand on hotels constructed by third parties.

The Offer is being made through the Book Building Process pursuant to Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer | Retail Portion: Not more than 10% of the Offer.

Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 100 million.

PRICE BAND: ₹147 TO ₹155 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 147 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 155 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 53.45 TIMES AND AT THE CAP PRICE IS AS HIGH AS 56.36 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 73.60.

BIDS CAN BE MADE FOR A MINIMUM OF 96 EQUITY SHARES AND IN MULTIPLES OF 96 EQUITY SHARES THEREAFTER.

A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹7 PER EQUITY SHARE) IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

In making an investment decision and purchase in the Offer, you must rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the merits and risks involved and not on any other external sources of information about the Offer.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated January 30, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Offer Price" section beginning on page 153 of the RHP and provided below in the advertisement.

RISKS TO INVESTORS

- Concentration Risk:** A large portion of our revenue (approximately 75% of the Total Income in Fiscal 2023) is realised from our top five owned hotels with THE PARK Kolkata contributing 21.75% to the Total Income in Fiscal 2023. Any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business, results of operations, cash flows and financial condition.
- Incurred Losses in FY22 and FY21:** We had a restated loss of ₹ 282.02 million and ₹ 758.84 million for the Fiscals 2022, and 2021, respectively. Any losses in the future could adversely affect our financial condition, results of operations and cash flows.
- Risk pertaining to majority hotel bookings originating from online travel agents and intermediaries:** Majority portion of our hotel bookings (approximately 49% of our total room bookings contributing about 49% of our total room revenue for Fiscal 2023) originate from online travel agents and intermediaries. In the event such online travel agents and intermediaries continue to gain market share compared to our direct booking channels, they may be able to negotiate higher commissions for services provided, or demand significant concessions or reduced room rates causing an adverse effect on our margins, business, and results of operations.
- Risk related to delay in development/construction:** We are exposed to risks associated with the delay in development of our hotel properties and land banks. Any delay in the construction of new hotel buildings or expansion of our existing properties may have an adverse effect on our business, results of operations, financial condition, and cash flows.
- Non-compliance with covenants of financing agreements:** We were not in compliance with certain covenants under certain of our financing agreements in the past and had delays in repayment of certain long-term rupee loans and working capital loans. In case of any breach of covenants or delay in repayment of facilities in the future, such non-compliance, if not waived, could adversely affect our business, results of operations, cash flows, and financial condition.
- Concentration risk pertaining to significant portion of room revenue from corporate accounts and from leisure customers:** We derive a significant portion of our room revenue from corporate accounts and from leisure customers, contributing approximately 80% of the total room revenue comprising approximately 40% each from corporate accounts and leisure customers in Fiscal 2023. Changes in travellers' preferences due to increased use of telepresence equipment, cost of travel, spending habits, and other factors may adversely affect the demand for hotel rooms leading to adverse effect on our business, results of operations, financial condition, and cash flows.
- Risk in relation to Indebtedness:** We have incurred indebtedness which requires significant cash flows to service, and this, together with the conditions and restrictions imposed by our financing arrangements, fluctuations in the interest rates may limit our ability to operate freely and grow our business. As on September 30, 2023, we had total borrowings (including current borrowings, and non-current borrowings) of ₹5,970.90 million.
- Seasonality and Cyclicity Risk:** Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows. Further, the hospitality industry is subject to weekly variations as well. Also, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators.
- Material uncertainty for going concern:** Our Statutory Auditors have included paragraph on material uncertainty on going concern in their audit reports and other audit qualifications in the annexure to the auditors' reports issued under the Companies (Auditor's Report) Order, 2016 for Fiscal 2021.
- Liquidity ratio of the Company is and has been less than 1:** Liquidity ratios of our Company for six months ended September 30, 2023, September 30, 2022 and Fiscals 2023, 2022, and 2021 have been less than 1, which may have an adverse impact on our ability to meet short term financial obligations of our business and operations.
- Risk related to expansion in real estate space:** We are exposed to risks associated with the construction and development of serviced apartments at EM Bypass,

which is a one-off project of our Company and of which the Company has no prior experience.

12. **Delay in payment of statutory dues:** There are certain instances of delays in payment of statutory dues or non-payment of statutory dues on account of certain disputes. Any delay in payment of such statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.
13. **Emphasis of matter in the Audit report:** Our Statutory Auditors have included an emphasis of matter and other matters in their audit reports and other audit qualifications in the annexure to the auditors’ reports issued under the Companies (Auditor’s Report) Order, 2016 for Fiscal 2021, and the Companies (Auditor’s Report) Order, 2020 for Fiscals 2022 and 2023.
14. **Risk related to credit rating downgrade:** Credit rating downgrades may increase our cost of capital and future fund raising may cause a dilution in your shareholding or place restrictions on our operations. We cannot assure you that we will be able to maintain or improve such credit ratings.
15. **Mortgaged hotels and missing title deeds:** Certain of our hotels are mortgaged with lenders, out of which the title deeds of certain immovable properties are not held in the name of our Company. Failure to comply with the terms of the mortgage agreements or inability to enforce our rights effectively in the event of any dispute or adverse action in relation to properties where the title deeds are not in our Company’s name may result in adverse impact on our business, results of operations, financial condition and cash flows.
16. **Promoter and Directors are engaged in similar business activities and no non compete arrangements with Promoters:** Certain of our Promoters and our Directors are engaged in business activities which are similar to those undertaken by our Company and Subsidiaries, or have interests in other companies, which are in businesses similar to ours, which may result in conflicts of interest. Further, we have not entered into any non-compete arrangements with our Promoters.
17. **Majority loans to be repaid from the proceeds are from ICICI Bank, which is an affiliate of one of the Lead Managers:** Majority of the loans that we propose to repay from Net Proceeds (amounting to ₹ 3,674.19 million and constituting 61.67% of the total outstanding borrowings of our Company as on September 30, 2023) have been obtained from the ICICI Bank Limited, which is an affiliate of one of the Lead Managers to the Offer.
18. The Offer comprises Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale.
19. Floor Price and Cap Price as compared to the weighted average cost of acquisition (“WACA”) based on primary/ secondary transaction(s):

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)#	Cap Price (in ₹)#
WACA for Primary Transactions (defined hereinafter) during 18 months prior to RHP	Nil	N.A.	N.A.
WACA for Secondary Transactions (defined hereinafter) during 18 months prior to RHP	Nil	N.A.	N.A.
Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Based on primary issuances	Nil	NA	NA
Based on secondary transactions	0.08	1,837.50	1,937.50

*As certified by Raj Har Gopal & Co., Chartered Accountants, vide their certificate dated January 30, 2024.

20. The details of Price/Earnings, Earnings per share, Return on network and NAV as on and for the year ended March 31, 2023 are as follows:

Particulars	Price/ Earnings (at diluted EPS)	Earnings per share (₹)	Return on Network (%)	Net Asset Value per share (₹)
Company (Apeejay Surrendra Park Hotels Limited)*	56.36	2.75	9.03% ³	31.81
Average of Industry Peers	73.60 ¹	5.65 ¹	12.86% ²	39.73

*At upper end of price band.

- 1) EPS for SAMHI Hotels Limited is negative for the financial year ended March 31, 2023, accordingly the same has not been considered in Industry peers.
- 2) Return on network for SAMHI Hotels Limited is negative for the financial year ended March 31, 2023, accordingly the same has not been considered in Industry peers.

- 3) Profit for the financial year ended March 31, 2023 divided by the average net worth attributable to the owners of the Company.

21. The details of weighted average return on net-worth for the last 3 full financial years, and six months ended September 30, 2023 and September 30, 2022 are as follows :-

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2023	Six months ended September 30, 2022
Company (Apeejay Surrendra Park Hotels Limited)	(13.23%)	(5.40%)	9.03%	4.05%	3.58%

22. The details of market value to total revenue and the PE Ratio on the upper end/ lower end of the price band are as below:

Particulars	Market value/ Total turnover		PE Ratio	
	Cap Price	Floor Price	Cap Price	Floor Price
Our Company*	6.31	6.04	56.36	53.45

*Based on financial year ended March 31, 2023

Note:

1. Total revenue is for the financial year ended March 31, 2023.
2. Market value has been adjusted for the Fresh Issue portion.
3. Diluted EPS has been considered for the financial year ended March 31, 2023.

23. Weighted average cost of all Equity Shares transacted in the one year, 18 months and three years preceding the date of the Red Herring Prospectus

Period	Weighted average cost of cquisition (in ₹)*	Cap Price is ‘x’ times the weighted average cost of acquisition*	Range of acquisition price: lowest price – highest price (in ₹)*
Last one year preceding the date of the Red Herring Prospectus	Nil	NA	Nil
Last 18 months preceding the date of the Red Herring Prospectus			
Last three years preceding the date of the Red Herring Prospectus	0.08	1,937.50	Nil to 0.08

*As certified by Raj Har Gopal & Co., Chartered Accountants by their certificate dated January 30, 2024.

24. Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹0.75 to ₹109.81 per Equity Share and Offer Price at higher end of the Price Band is ₹155.00 per Equity Share.
25. Details of price at which specified securities were acquired by our Promoter, the members of the Promoter Group, the Selling Shareholders, and Shareholders with rights to nominate directors or other rights, in the last three years preceding the date of the Red Herring Prospectus:

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of the Red Herring Prospectus, by our Promoters, Promoter Group, Selling Shareholders and the other Shareholders having the right to nominate directors or other rights in our Company. The details of the prices at which these acquisitions were undertaken are stated below:

Sr. No.	Date of acquisition	Name of the acquirer	Acquisition price /transfer price per equity share*	Number of shares acquired / transferred
1	February 24, 2021	Apeejay Surrendra Management Services Private Limited	Nil	3,999,760
2	December 22, 2021	Great Eastern Stores Private Limited	0.08	52,500,000

*As certified by Raj Har Gopal & Co., Chartered Accountants by their certificate dated January 29, 2024.

26. The 3 BRLMs associated with the Offer have handled 94 public issues in the past three financial years, out of which 24 issues closed below the Offer Price on listing date:

Name of BRLM	Total Issues	Issues closed below IPO Price as on listing date
JM Financial Limited	12	1
Axis Capital Limited	12	3
ICICI Securities Limited	18	2
Common Issues of all BRLMs	52	18
Total	94	24

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE:
FRIDAY, FEBRUARY 02, 2024*

BID/OFFER OPENS ON:
MONDAY, FEBRUARY 05, 2024

BID/OFFER CLOSES ON:
WEDNESDAY, FEBRUARY 07, 2024#

*Our Company, in consultation with the Book Running Lead Managers, 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.

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band, Offer Price and discount (if any) has been determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by the Book Building Process and on the basis of the following quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is 147 times of the face value at the lower end of the Price Band and 155 times the face value at the higher end of the Price Band. Bidders should also refer to “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 227, 29, 319 and 411 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

1. We have built successful hospitality brands through product innovation and service excellence to attract customer through a diversified and holistic offering.
2. A diversified Pan India portfolio of owned, leased and managed hotels that are strategically located across metros and emerging cities.
3. High occupancy rate and REVPAR with a strong financial and operational track record.
4. High F&B and Entertainment contributions which adds to stable and non-cyclical earnings while complementing the hotel business.
5. “Flurys” is an iconic brand with a successful and profitable track record of industry leading EBITDA margins.
6. Dedicated and experienced leadership team with high standards of corporate governance.

For details, see “Our Business – Competitive Strengths” on page 234 of the RHP.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Summary Statements. For details, see “Financial Statements” on page 319 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and Diluted Restated Earnings per Equity Share (“EPS”) at face value of ₹ 1 each:

Fiscal	Basic EPS (in ₹)		Diluted EPS (in ₹)	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
Year ended March 31, 2023	2.75	3	2.75	3
Year ended March 31, 2022	(1.61)	2	(1.61)	2
Year ended March 31, 2021	(4.34)	1	(4.34)	1
Weighted Average	0.12		0.12	
Six months ended September 30, 2023*	1.31	-	1.31	-

* Not annualised.

Notes:

The ratios have been computed as below:

- 1) Basic EPS (₹) = Restated net profit/ (loss) for the period/ year attributable to equity holders of the parent divided by weighted average number of Equity Shares outstanding during the period/ year.
- 2) Diluted EPS (₹) = Restated net profit/ (loss) for the year/ period attributable to equity holders of the parent divided by Weighted average number of dilutive Equity Shares outstanding during the period/ year.
- 3) The figures disclosed above are derived from the Restated Consolidated Summary Statements of our Company.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ 147 to ₹ 155 per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for the Fiscal 2023	53.45	56.36
Based on diluted EPS for the Fiscal 2023	53.45	56.36

Industry Peer Group P/E Ratio:

Particulars	Industry P/E
Highest	92.34
Lowest	56.59
Average	73.60

Notes:

- 1) The industry high and low has been considered from the industry peer set provided later in this advertisement. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this advertisement.
- 2) P / E Ratio has been computed based on the closing market price of equity shares on BSE on January 18, 2024, divided by the Diluted EPS for the year ended March 31, 2023.
- 3) All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for the year ended March 31, 2023, as available on the websites of the Stock Exchanges.

III. Average Return on Net Worth (“RoNW”):

The information presented below is derived from the Restated Consolidated Summary Statements:

Financial Period	RoNW (%)	Weight
Year ended March 31, 2023	9.03	3
Year ended March 31, 2022	(5.40)	2
Year ended March 31, 2021	(13.23)	1
Weighted Average	0.51	-
Six months ended September 30, 2023*	4.05	-

* Not annualised.

Notes:

- 1) Net worth means the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. Net worth represents equity attributable to equity holders of the Parent and does not include amount attributable to non- controlling interests. For details, see “Other Financial Information” on page 408 of the RHP.
- 2) Average Return on Net worth is calculated as restated profit / (loss) for the period/ year, divided by Average of Net worth at the beginning and end of the period/ year.
- 3) The weighted average return on Net worth is a product of return on Net worth for the period/ year and respective assigned weight, dividing the resultant by total average weight.

IV. Net Asset Value per Equity Share (Face value of ₹ 1 each):

NAV per Equity Share	₹
As on March 31, 2023*	31.81
As on September 30, 2023**	33.13
At Floor Price**	53.62
At Cap Price**	54.15
At Offer Price*	100

*Net Asset Value per Equity Share is calculated as Net worth attributable to the owners of the company, divided by number of Equity Shares outstanding at the end of the period/year. For details, see “Other Financial Information” on page 408 of the RHP.

**Not annualised

**Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

**Net Asset Value per Equity Share is calculated as Net worth attributable to the owners of the Company of the divided by number of Equity Shares outstanding as at March 31, 2023. Net asset value has been adjusted for the Fresh Issue size and the shareholding has been adjusted for the Equity Shares issued at the Floor Price and Cap Price, as applicable.

V. Comparison of accounting ratios with Listed Industry Peers

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

Name of the company	Revenue from operations (₹ in million)	Face value per equity share (₹)	P/E(1)	EPS (Basic)	EPS (Diluted)	RoNW (2)(%)	NAV (₹ in million)	NAV(3) (₹ per share)	Market Cap/Total Income(5)
Apeejay Surrendra Park Hotels Limited	5,061.30	1	NA	2.75	2.75	8.65%	5,556.82	31.81	6.31
Industry Peers									
Chalet Hotels Limited	11,284.67	10	79.78	9.06	9.06	12.03%	15,444.85	75.20	12.60
Lemon Tree Hotels Limited	8,749.90	10	92.34	1.45	1.45	16.46%	8,537.27	10.78	12.07
Indian Hotels Company Limited	58,099.10	1	65.67	7.06	7.06	13.19%	79,819.60	56.20	11.07
ElIH Limited	20,188.10	2	56.59	5.03	5.03	9.75%	33,745.70	53.96	8.49
SAMHI Hotels Limited*	9,328.09	1	NA	(47.48)	(47.48)	NA	547.32	2.51	4.12

VII. Comparison of Key Performance Indicators with listed industry peers

(₹ in million, unless otherwise specified)

KPI	Apeejay Surrendra Park Hotels Limited		Chalet Hotels Limited		Lemon Tree Limited		Indian Hotels Company Limited		ElIH Limited		SAMHI Hotels Limited*	
	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022	As at and for the period ended September 30, 2023	As at and for the period ended September 30, 2022
Total Income	2,723.12	2,384.50	6,327.44	5,103.70	4,547.23	3,897.25	29,965.70	25,507.60	10,750.90	8,293.40	4,155.97	4,488.83
Total Income Growth (%)	14.20	-	23.98	-	16.68	-	17.48	-	29.63	-	(7.42)	-
EBITDA	909.05	803.28	2,431.55	1,964.85	2,116.37	562.74	8,619.50	7,239.40	3,448.20	2,104.80	1,013.17	1,682.44
EBITDA Margin (%)	33.38	33.69	38.43	38.50	46.54	14.44	28.76	28.38	32.07	25.38	24.38	37.48
Profit/(loss) for the period/ year	229.50	185.11	1,250.99	443.07	539.16	(929.77)	4,149.80	3,104.30	2,001.70	882.10	(1,714.90)	(1,951.31)
Profit/(loss) Margin (%)	8.43	7.76	19.77	8.68	11.86	(23.86)	13.85	12.17	18.62	10.64	(41.26)	(43.47)
Net Debt	5807.10	5,925.40	28,893.70	25,695.45	18,919.03	16,594.38	(1,327.90)	1,608.00	(848.40)	1,819.80	19,087.56	28,520.60
Net Debt/ Total Equity	1.00	1.13	1.71	1.85	2.19	1.96	(0.02)	0.02	(0.02)	0.06	1.77	81.58
Net Debt/ EBITDA	6.39	7.38	11.88	13.08	8.94	29.49	(0.15)	0.22	(0.25)	0.86	18.84	16.95
Inventory (No. of operating keys)	2,123	1,890	2,890	2,554	8,760	8,303	22,465	21,094	4,269	4,247	4,801	5,012
Inventory Growth (%)	12.33	-	13.16	-	5.50	-	6.50	-	0.52	-	(4.21)	-
No. of Hotels (Operational)	27	22	9	7	95	85	192	182	29	33	31	33
ARR	6,059.05	5,419.31	9,944	N.A.	N.A.	N.A.	N.A.	N.A.	16,509.00	11,036.00	5,441.00	4,616.00
Avg Occupancy (%)	93.29	91.89	71.00	N.A.	N.A.	N.A.	N.A.	N.A.	72.00	69.00	72.00	73.04

KPI	As at and for the year ended March 31, 2023					
	Apeejay Surrendra Park Hotels Limited	Chalet Hotels Limited	Lemon Tree Limited	Indian Hotels Company Limited	ElIH Limited	SAMHI Hotels Limited- Proforma Portfolio*
Total Income	5,244.30	11,779.54	8,785.66	59,488.10	20,964.10	9,643.66
Total Income Growth (%)	95.81	122.36	111.06	85.24	100.82	118.18
EBITDA	1,770.95	5,023.04	4,511.44	19,434.60	6,649.30	3,114.64
EBITDA Margin (%)	33.77	42.64	51.35	32.67	31.72	32.30
Profit/(loss) for the year	480.62	1,858.36	1,405.40	10,528.30	3,291.00	(3,659.03)
Profit/(loss) Margin (%)	9.16	15.78	16.00	17.70	15.70	(37.94)
Net Debt	5,500.10	27,494.17	17,220.47	818.70	(289.40)	28,519.09
Net Debt/ Total Equity	0.99	1.78	2.02	0.01	(0.01)	52.11
Net Debt / EBITDA	3.11	5.47	3.82	0.04	(0.04)	9.16
Inventory (No. of operating keys)	2,009	2634	8,382	21,686	4,192	4801
Inventory Growth (%)	7.72	3.13	(1.26)	5.37	(6.82)	(4.21)
No. of Hotels (Operational)	25	8	88	188	24	31
ARR	6,070.51	9,169.00	5,340.00	13,736.00	N.A.	5,037.00
Avg Occupancy (%)	91.77	72.00	68.00	72.00	N.A.	73.00

KPI	As at and for the year ended March 31, 2022				
	Apeejay Surrendra Park Hotels Limited	Chalet Hotels Limited	Lemon Tree Limited	Indian Hotels Company Limited	ElIH Limited
Total Income	2,678.30	5,297.39	4,162.70	32,113.80	10,439.48
Total Income Growth (%)	40.75	67.26	57.10	84.57	88.11
EBITDA	582.93	1,138.72	1,326.92	5,599.10	464.06

Source: All the financial information for the industry peers mentioned above is on a consolidated basis and is sourced from the published financial result, www.bseindia.com. investors’ presentation as available of the respective company for the relevant year in public domain.

*The financial information for SAMHI Hotels Limited has been included based on their proforma condensed financial statements as at and for the year ended March 31, 2023, since the audited financial statements of SAMHI Hotels Limited as at and for the year ended March 31, 2023 do not reflect the impact of a subsequent acquisition by SAMHI Hotels Limited, which was completed post March 31, 2023.

Note:

- (1) P / E Ratio has been computed based on the closing market price of equity shares on BSE on January 18, 2024, divided by the Diluted EPS for the year ended March 31, 2023
- (2) Return on Net worth is calculated as restated profit/ (loss) for the period/ year attributable to equity holders of the parent divided by Net worth at the end of the period/ year
- (3) Net Asset Value per Equity Share is calculated as Net worth attributable to the owners of the company divided by number of Equity Shares outstanding at the end of the period/ year.
- (4) Net worth means the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses as on March 31, 2023. Net worth represents equity attributable to equity holders of the Parent and does not include amount attributable to non- controlling interests
- (5) Market Cap has been computed based on the closing market price of equity shares on BSE on January 18, 2024. For our Company, Market Cap has been calculated based the Cap Price.

VI. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. Additionally, the KPIs have been certified by way of certificate dated January 29, 2024 issued by Raj Har Gopal & Co., Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated January 29, 2024 issued by Raj Har Gopal & Co., Chartered Accountants, has been included in “Material Contracts and Documents for Inspection – Material Documents” on page 548 of the RHP. The Bidders can refer to the below mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company’s performances and make an informed decision.

Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance are set forth below:

S. No.	KPI	Explanation for the KPI
1	Total Income	Total Income is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and size of its business.
2	Total Income Growth (Y-o-Y/ Period on Period)	Growth in income provides information regarding the growth of our business for the respective period.
3	EBITDA	EBITDA provides information regarding the operational efficiency of our business.
4	EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
5	Restated profit/ (loss) for the period/ year	Profit after tax provides information regarding the overall profitability of our business
6	Restated profit/ (loss) for the period/ year Margin	Profit after tax Margin is an indicator of the overall profitability and financial performance of our business.
7	Net Debt	Net Debt provides information regarding our leverage and liquidity profile of the company
8	Net Debt/ Equity	Net Debt to Equity is a measure of the company’s leverage over equity invested and earnings retained over time
9	Net Debt/ EBITDA	Net Debt to EBITDA is a measure of the time it would take for our existing operational earnings (EBITDA) to pay back our net debt
10	Inventory (No. of operating keys)	Inventory refers to the number of Keys/ rooms in our portfolio which generates the revenue from room nights booked
11	Inventory Growth	Inventory growth is a measure of our capability to grow our portfolio over a period of time
12	No. of Hotels	No of hotels is the measure of our portfolio size
13	No. of Flurys’ Outlets	No of flurys’ outlets is the measure of our Café & Bakery portfolio size
14	Average Room Rent	Average room rent is a key measure of the rate (INR/ room/ night) at which we offer our inventory and is a key parameter for our revenue generation
15	Average Occupancy	Average occupancy is the ratio of the total number of room nights sold in a year / period upon the available room nights and is a measure of our revenue generation capabilities over a period of time

Details of our KPIs as at/ for the six months ended September 30, 2023 and September 30, 2022 and as at/for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million, unless mentioned otherwise)

KPI	As at/for the six months ended September 30, 2023	As at/for the six months ended September 30, 2022	As at/for the Fiscal 2023	As at/for the Fiscal 2022	As at/for the Fiscal 2021
Total Income	2,723.12	2,384.50	5,244.30	2,678.30	1,902.90
Total Income Growth (Y-o-Y/ Period on Period) (%)	14.20	N.A.	95.81	40.75	N.A.
EBITDA	909.05	803.28	1,770.95	582.93	228.46
EBITDA Margin (%)	33.38	33.69	33.77	21.76	12.01
Restated profit/ (loss) for the period/ year	229.50	185.11	480.62	(282.02)	(758.83)
Restated profit / (loss) for the period/ year Margin (%)	8.43	7.76	9.16	(10.53)	(39.88)
Net Debt	5,807.10	5,925.40	5,500.10	6,137.59	5,834.00
Net Debt/ Equity	1.00	1.13	0.99	1.21	1.09
Net Debt/ EBITDA	6.39	7.38	3.11	10.53	25.54
Inventory (No. of operating keys) (Owned, Leased and Managed)	2,123	1,890	2,009	1,865	1,612
Inventory Growth (%) (Owned, Leased and Managed)	12.33	N.A.	7.72	15.69	NA
No of Hotels (Owned, Leased and Managed)	27	22	25	21	17
No of Flurry’s Outlets	73	65	69	59	52
Average Room Rent (Owned Hotel of the Company)	6,059.05	5,419.31	6,070.51	3,804.27	3,250.90
Average Occupancy (%) (Owned Hotel of the Company)	93.29	91.89	91.77	79.10	67.26

*As certified by Raj Har Gopal & Co., Chartered Accountants, vide their certificate dated January 29, 2024.

Notes:

- 1) Total Income means addition of revenue from contracts with customers and other income.
- 2) Growth in Total Income (%) is calculated as a percentage of Total Income of the relevant year / period minus Total Income of the preceding year / period, divided by Total Income of the preceding year / period.
- 3) EBITDA = Restated profit/ (loss) for the period/ year + Finance Costs + Total Tax expense/(credit) + Depreciation and Amortisation expense + Exceptional loss
- 4) EBITDA Margin = EBITDA / Total income.
- 5) Restated profit/(loss) for the period/ year Margin = restated profit/ (loss) for the period/ year divided by Total income.
- 6) Net Debt = Non-current liabilities – borrowings (including current maturities of long term borrowings) + Current liabilities – borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents
- 7) Total Equity (excluding non-controlling interest) = Equity Share Capital + Other Equity
- 8) Inventory is the total number of operational keys/ rooms in the company’s portfolio of hotels for the relevant year / period.
- 9) Inventory Growth (%) is calculated as a percentage of Inventory of the relevant year / period minus inventory of the preceding year / period, divided by Inventory of the preceding year / period.
- 10) No. of Hotels are the total number of operational hotels of the relevant year / period.
- 11) No. of Flurry Outlets are the total number of our operational Café & Bakery portfolio size of the relevant year / period.
- 12) Average Room Rent is calculated as total revenue from sale of rooms received for a relevant year / period divided by the total occupied room per night.
- 13) Average Occupancy is calculated as total room nights sold in a relevant year / period divided by the total available room nights in the same relevant year / period.

Except as disclosed above, there are no other KPIs pertaining to our Company disclosed to its investors, at any point of time, during the three years preceding the date of the Red Herring Prospectus. Further, the Audit Committee vide its resolution dated January 29, 2024 has confirmed that verified details for all the key performance indicators pertaining to our Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing the Red Herring Prospectus are disclosed above.

Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis on the Stock Exchanges, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date; or (ii) till the utilization of the Net Proceeds or for such other period as may be required under the SEBI ICDR Regulations.

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KPI	As at and for the year ended March 31, 2021					
	Apeejay Surrendra Park Hotels Limited	Chalet Hotels Limited	Lemon Tree Limited	Indian Hotels Company Limited	ElIH Limited	SAMHI Hotels Limited**
Profit/(loss) Margin (%)	(39.88)	(43.93)	(70.40)	(45.73)	(67.65)	(266.51)
Net Debt	5,834.00	18,178.79	14,456.15	23,720.90	2,315.14	22,419.63
Net Debt/ Total Equity	1.09	1.28	1.58	0.65	0.07	(11.47)
Net Debt / EBITDA	25.54	71.77	17.36	(12.04)	(0.99)	(37.55)
Inventory (No. of operating keys)	1,612	2,554	8,309	19,425	4,567	4,050
Inventory Growth (%)	NA	17.21	3.78	2.65	NA	NA
No. of Hotels (Operational)	17	7	84	165	30	27
ARR	3,250.90	4,040.00	2,615.00	7,351.00	N.A.	2,624.00
Avg Occupancy (%)	67.26	30.00	39.80	39.00	N.A.	27.96

Source: All the financial information for the industry peers mentioned above is on a consolidated basis and is sourced from the published financial result, www.bseindia.com, Investors' Presentation as available of the respective company for the relevant year/ period in public domain

*The financial information for SAMHI Hotels Limited has been included based on their proforma condensed financial statements as at and for the years ended March 31, 2023, and March 31 2022, and as at and for the six months ended September 30, 2022 since the audited financial statements of SAMHI Hotels Limited as at and for the years ended March 31, 2023, March 31, 2022 and as at and for the six months ended September 30, 2022 do not reflect the impact of a subsequent acquisition by SAMHI Hotels Limited, which was completed post March 31, 2023.

**The financial information for SAMHI Hotels Limited as at and for the year ended March 31, 2021 has been included based on their restated consolidated financial statements Notes:

- (1) Growth in Total Income (%) is calculated as a percentage of Total Income of the relevant year/ period minus Total Income of the preceding year/ period, divided by Total Income of the preceding year/ period.
- (2) EBITDA
- a. For our Company: Restated profit/ (loss) for the period/ year + Finance Costs + Total Tax expense/(credit) + Depreciation and Amortisation expense +/- Exceptional Items
- b. For Listed Peers: Profit/ (loss) for the period/ year + finance costs + Total Tax expense/(income) + Depreciation and Amortisation expense +/- Exceptional items (share of associates' and JV's profit/finance income)
- (3) EBITDA Margin = EBITDA / Total income.
- (4) Profit/(loss) Margin: Profit/ (loss) for the period/ year divided by Total Income
- (5) Net debt
- a. For our Company: Non-current liabilities – borrowings (including current maturities of long-term borrowings) + Current liabilities – borrowings (excluding current maturities of long-term borrowings) less Cash and cash equivalents.
- b. For Listed Peers: Non-current financial liabilities – Borrowings + Current financial liabilities – Borrowings less Cash and Cash Equivalents
- (6) Total Equity excluding Non-Controlling Interest = Equity Share Capital + Other Equity
- (7) Inventory is the total number of operational keys/ rooms in the company's portfolio of hotels for the relevant year/ period.
- (8) Inventory Growth (%) is calculated as a percentage of Inventory of the relevant year/ period minus inventory of the preceding year/ period, divided by Inventory of the preceding year/ period.
- (9) No. of Hotels are the total number of operational hotels of the relevant year/ period.
- (10) Average Room Rent is calculated total revenue from sale of rooms received for a relevant year/ period divided by the total available room per night.
- (11) Average Occupancy is calculated the total room nights sold in a relevant year/ period divided by the total available room nights in the same relevant year/ period.

VIII. Our Company confirms that there has been no:


1. primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the Red Herring Prospectus; and
2. secondary sale/acquisition of shares (Equity Share/convertible securities) by Promoters, Promoter Group entities, Selling Shareholders, excluding gifts, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the Red Herring Prospectus.
- None of our Shareholders is entitled to nominate Directors on our Board.
- Set forth below are details of last five primary/ secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholders are a party to the transaction) during three years preceding the date of filing of the Red Herring Prospectus:

Sr. No.	Date of Transaction	Nature of Transaction	Name of Acquirer	Acquisition Price per Equity Share (in ₹)*	Number of Equity Shares acquired
1	February 24, 2021	Other than cash	Apeejay Surrendra Management Services Private Limited	Nil	3,999,760
2	December 22, 2021	Other than Cash	Great Eastern Stores Private Limited	0.08	52,500,000


* As certified by Raj Har Gopal & Co., Chartered Accountants, vide their certificate dated January 29, 2024.

FOR FURTHER DETAILS, SEE “BASIS FOR OFFER PRICE” BEGINNING ON PAGE 153 OF THE RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE.



Simple, Safe, Smart way of Application!!!



UPI-Now available in ASBA for Retail Individual Investors and Non-Institutional Investors applying in public issues where the application amount is up to ₹500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. UPI Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and read with press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section “**Offer Procedure**” on page 501 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“**AIBI**”) and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: ipo.upi@npci.org.in.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the Syndicate Member and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations and through the Book Building Process wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”), and such portion, the “QIB Portion”). Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the “Net QIB Portion”). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, up to (●) Equity Shares aggregating to ₹ 100 million will be available for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders such that: (a) one-third of the portion available to Non-Institutional Bidders, shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1 million and (b) two-thirds of the portion available to Non-Institutional Bidders, shall be reserved for applicants with an application size of more than ₹ 1 million, provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders (“RIBs”) in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders), pursuant to which their corresponding Bid Amounts will be blocked by the SCSBs or the Sponsor Bank(s) as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 501 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any

IX. Floor Price and Cap Price as compared to the weighted average cost of acquisition based on primary/ secondary transaction(s), as disclosed in point VIII above, are set out below:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities),excluding shares issued under an employee stock option plan/employee stock option scheme, during the 18 months preceding the date of filing of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Transactions”).	Nil	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)	Nil	N.A.	N.A.
Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Based on primary issuances	Nil	NA	NA
Based on secondary transactions	0.08	1,837.50	1,937.50

*As certified by Raj Har Gopal & Co., Chartered Accountants, vide their certificate dated January 30, 2024.

X. Explanation for Offer Price/Cap Price vis-a-vis weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out above) along with our Company's key performance indicators and financial ratios for the six months ended September 30, 2023, September 30, 2022 and for Fiscals 2023, 2022 and 2021 and in view of the external factor which may have influenced the pricing of the Offer:

1. Among hotel chains with asset ownership, our Company ranks as the eighth largest in India in terms of chain affiliated hotel rooms inventory as of September 30, 2023 (Source: Horwath HTL Report).

2. THE PARK hotels recorded (a) RevPAR of ₹ 5,652.58, and ₹ 5,571.00, (b) occupancy rate of 93.29% and 91.77% and (c) average room per revenue of ₹ 6,059.05 and ₹ 6,070.51 for the six months ended September 30, 2023 and year ended March 31, 2023, respectively. High occupancy levels at The PARK hotels enable strong RevPAR (Source: Horwath HTL Report).

3. Food and beverage contribution to total revenue at Company's hotels for Fiscal 2021, Fiscal 2022, and Fiscal 2023 is higher than average food and beverage contribution to revenues of select listed companies (Source: Horwath HTL Report).

4. The rapid growth in India's hospitality industry is expected at an overall supply CAGR of 8.6% from September 2023 – FY 27, across all segments. (Source: Horwath HTL Report).

5. Through FY 2027, about 25% of new supply will be in the Luxury-Upper Upscale segment, 24% and 20% in the Upscale and Upper-Mid-scale segments respectively and 31% in the Mid-scale-Economy segment. About 90% of total inventory is controlled by the top 25 chains. (Source: Horwath HTL Report).

6. Occupancies between April 2023 and September 2023 were in the range of 61% to 63% except in June 2023 when it touched 64%. ADRs during this period have increased by 15% to 18% compared to 2022. (Source: Horwath HTL Report).

7. In Fiscal 2023, among the identified players which reported financials as per IND AS (Indian Accounting Standards), Flury's had the second highest EBITDA margin of 17.18 % (Source: CRISIL Report).

XI. The Offer price is (●) times of the face value of the Equity Shares.

The Offer Price of ₹ (●) has been determined by our Company in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 29, 227, 411 and 319 of the RHP, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 29 of the RHP and you may lose all or part of your investments.

delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with CBDT circular no. 7 of 2022 and press releases dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of the Company, please see the section “History and Certain Corporate Matters” on page 282 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section titled “Material Contracts and Documents for Inspection” on page 548 of the RHP.

LIABILITY OF THE MEMBERS OF THE COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Company is ₹350,000,000 divided into 350,000,000 Equity Shares of face value of ₹ 1 each. The issued, subscribed and paid-up share capital of the Company is ₹ 174,661,760 divided into 174,661,760 Equity Shares of face value of ₹ 1 each. For details, please see the section titled “Capital Structure” beginning on page 118 of the RHP.

NAMES OF SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are T. N. Krishan Reddy and P. Chenga Reddy who subscribed to one equity share each bearing face value of ₹100. For details of the existing share capital and capital structure of our Company, please see the section entitled “Capital Structure” beginning on page 118 of the RHP.





LISTING: The Equity Shares offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters, each dated October 30, 2023. For the purposes of the Offer, National Stock Exchange of India Limited is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “Material Contracts and Material Documents for Inspection” on page 548 of the RHP.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 479 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 481 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 480 of the RHP for the full text of the disclaimer clause of BSE.

GENERAL RISKS: Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 29 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
				<div>Shalini Keshan 17, Park Street, Kolkata - 700 016 West Bengal, India Telephone number: +91 33 2249 9000 Email: investorrelations@asphl.in</div>
JM Financial Limited 7 th Floor, Chenergy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India Telephone number: +91 22 6630 3030 E-mail: park.ipo@jmfml.com Website: www.jmfml.com Investor grievance e-mail: grievance.ibd@jmfml.com Contact person: Prachee Dhuri SEBI registration number: INM000010361	Axis Capital Limited 1 st Floor, C-2, Axis House Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai – 400 025; Maharashtra, India Telephone number: +91 22 4325 2183 E-mail: parkhotels.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact person: Akash Aggarwal / Sagar Jatakiya SEBI registration number: INM000012029	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025, Maharashtra, India Telephone number: +91 22 6807 7100 E-mail: parkhotelsipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact person: Gaurav Mittal/ Ashik Joisar SEBI registration number: INM000011179	Link Intime India Private Limited C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra , India Telephone number: +91 810 811 4949 E-mail: parkhotels.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: parkhotels.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INF000004058	<div>Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.</div>

Availability of the RHP: Investors are advised to refer to the RHP and the “Risk Factors” beginning on page 29 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, i.e. **JM Financial Limited** at www.jmfml.com, **Axis Capital Limited** at www.axiscapital.co.in, **ICICI Securities Limited** at www.icicisecurities.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively and the website of the Company at www.theparkhotels.com.

Availability of the Abridged Prospectus: A copy of the abridged prospectus is available on the website of the Company, the BRLMs and the Registrar to the offer at www.theparkhotels.com, www.jmfml.com, www.axiscapital.co.in, www.icicisecurities.com and www.linkintime.co.in, respectively.

Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of the Company, APEEJAY SURRENDRA PARK HOTELS LIMITED, Telephone number: +91 33 2249 9000; JM Financial Limited, Telephone number: +91 22 6630 3030; Axis Capital Limited, Telephone number: +91 22 4325 2183; ICICI Securities Limited, Telephone number: +91 22 6807 7100 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-syndicate members: Almondz Global Securities Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, ANS Pvt Limited, Ashwani Dandia & Co., Asit C Mehta Investment Intermediates Limited, Axis Securities Limited, Bajaj Financial Services Limited, Centrum Broking Ltd., Centrum Wealth Management Ltd., Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd., Eureka Stock & Share Broking Services Ltd., G Raj & Co. (Consultants) Limited, Globe Capital Markets Ltd., HDFC Securities Ltd., ICICI Securities Limited, IDBI Capital Markets and Securities Ltd., IIFL Securities Ltd., Jhaveri Securities, JM Financial Services Limited,

Jobanputra Fiscal Services Pvt. Ltd., Kalpataru Multiplier Limited, Keynote Capitals Limited, KJMC Capital Market Services Limited, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd., Marwadi Shares & Finance, Motilal Oswal Financial Services Limited, Nirmal Bang Securities Pvt Limited, Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited), Patel Wealth Advisors Pvt Limited, Prabhudas Liladhar Pvt Ltd., Pravin Ratilal Share & Stock Brokers Limited, Religare Broking Ltd., RR Equity Brokers Pvt Limited, SBICAP Securities Ltd., Sharekhan Ltd., SMC Global Securities Limited, Systematix Shares and Stocks (India) Limited, Tanna Financial Services, Trade Bulls Securities (P) Ltd., Way2wealth brokers Pvt. Ltd. and YES Securities Ltd.

Syndicate member: JM Financial Services Limited.

Escrow Collection Bank, Refund Bank and Sponsor Bank: Axis Bank Limited.

Public Offer Account Bank and Sponsor Bank: ICICI Bank Limited.

UPI: UPI Bidders can also bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For APEEJAY SURRENDRA PARK HOTELS LIMITED
On behalf of the Board of Directors

Sd/-
Shalini Keshan
Company Secretary and Compliance Officer

Place: Kolkata
Date: January 30, 2024

CRISIL Report is subject to the disclaimer reproduced on page 19 of the RHP.

APEEJAY SURRENDRA PARK HOTELS LIMITED is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the RHP dated January 29, 2024 with the RoC. The RHP shall be available on the website of the Company at www.theparkhotels.com, SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and the BRLMs, i.e. JM Financial Limited, at www.jmfml.com, Axis Capital Limited, at www.axiscapital.co.in and ICICI Securities Limited, at www.icicisecurities.com respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section entitled “Risk Factors” beginning on page 29 of the RHP. Potential investors should not rely on the Draft Red Herring Prospectus filed with SEBI for making any investment decision and instead should place reliance on the RHP.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

Adfactors