ANNEXURE III A

Note explaining the process of due diligence that has been exercised

In connection with the draft red herring prospectus dated September 10, 2024 (“DRHP”), we, the BRLMs, have carried out due diligence exercise in relation to the current business of the Company and its Subsidiaries, Joint Venture, for the purposes of complying with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and other applicable laws, and to the extent that it is customary in initial public offerings in India, along with other professionals and experts engaged in connection with the Issue.

All capitalised terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.






The due diligence process commenced with physical and virtual interactions with the key managerial personnel and senior management of the Company, including Chief Financial Officer, Company Secretary and Compliance Officer and representatives of the Promoters to gain an understanding of the business of the Company and its Subsidiaries and Joint Venture, key risks involved, background of the Promoters and financial overview of the Company and its Subsidiaries, Joint Venture, amongst other matters. These interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Issue. In this regard, the Company was provided with a due diligence questionnaire and information lists prepared in consultation with the Legal Counsel (*defined below*) and the Company provided supporting documents for review, to the extent applicable, and gave clarifications and explanations for queries raised. In order to facilitate such review, the Company set up an online data room where copies of such supporting documents were made available for undertaking due diligence.

In the due diligence process, we were assisted by the Legal Counsel, the Statutory Auditor, the Previous Auditor, the Maldivian Subsidiaries Auditor, the Independent Chartered Accountant, the Independent Architects, the Title Lawyer, the Industry Consultants, the Secretarial Auditor (*each as defined below*) and legal counsel in Maldives and Sri Lanka (*as mentioned below*).

In connection with the Issue, Cyril Amarchand Mangaldas has been appointed as the legal counsel to the Company as to Indian Law, Shardul Amarchand Mangaldas & Co has been appointed as legal counsel to the BRLMs as to Indian law, and Latham & Watkins LLP has been appointed as international legal counsel to the BRLMs (collectively the “**Legal Counsel**”). The Legal Counsel have assisted in carrying out the documentary due diligence, drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws, and advised the Company and the BRLMs on other relevant legal matters, in connection with the Issue, including for the purpose of issuing legal opinions in relation to the Issue to the BRLMs, as applicable.

Further, the BRLMs were also assisted by the following for or carrying out financial due diligence of the Company:

- (i) the current statutory auditors of the Company, M/s S R B C & Co LLP, Chartered Accountants (the “**Statutory Auditor**”) who have audited the financial statements of the Company as of and for the year ended March 31, 2024 and March 31, 2023;

- (ii) the Statutory Auditor has issued a report dated September 7, 2024 on the compilation of the Pro Forma Financial Information;
- (iii) the previous auditors of the Company, MSKA & Associates, Chartered Accountants (“**Previous Auditor**”) who have audited the financial statements of the Company as of and for the year ended March 31, 2022; and
- (iv) the independent chartered accountant, G S K A & Co, Chartered Accountants, (“**Independent Chartered Accountant**”) who have provided certifications and confirmations with respect to certain financial, operational and other data being disclosed in the DRHP.

The auditors of certain Subsidiaries have also provided confirmations with respect to certain financial data being disclosed in the DRHP.

Certificates dated September 3, 2024 and September 6, 2024 were issued by Voussoirs Associates and Jayant Vaitha, independent architects (together as “**Independent Architects**”), respectively, registered with the Council of Architecture under the Architects Act, 1972. The Independent Architects have confirmed certain details with respect to the hospitality and annuity assets of the Company, its Subsidiaries and Joint Venture including but not limited to area of the hotels and properties including the break-up of area in the hotels and key operational figures, such as leasable area, number of keys, hotel rooms, serviced apartments etc.

Statement of special tax benefits available to the two material foreign subsidiaries of the Company, namely SS & L Beach Private Limited and Maldives Property Holdings Private Limited were also obtained from Faris & Co LLP.

Consents from the Statutory Auditor (with respect to the examination report on the Restated Financial Information and statement of special tax benefits available to the Company, its material subsidiary in India and the Shareholders of the Company), Independent Chartered Accountant, Independent Architects and Faris & Co LLP to be named as an expert under section 2(38) of the Companies Act, 2013 in the Draft Red Herring Prospectus.

Foreign counsel opinions were obtained with respect to the foreign Subsidiaries and Joint Venture of the Company, namely (i) SS & L Beach Private Limited and Maldives Property Holdings Private Limited from S&A Lawyers LLP; (ii) Kudakurathu Island Resort Private Limited from Muizzu & Co LLP; and (iii) Nagenehira Resorts (Private) Limited from Jagath N. Wijeratne, Attorney at Law.

Furthermore, a certificate dated September 10, 2024 was issued by Mehta & Mehta, Practicing Company Secretaries, confirming that the issuance of securities by the Company since incorporation is in compliance with applicable law along with other details regarding the shareholding and secondary transfers of the equity shares of the Company.

Title reports were issued by M/s. Wadia Ghandy & Co. appointed by the Company (the “**Title Lawyers**”), on the title of the land and properties owned or leased by the Company and its Subsidiaries for their operating hotels, annuity assets and land in India.

Reliance was also placed on the reports titled “*Pune Commercial Office Industry Report*” dated August 31, 2024 prepared by CBRE South Asia Pvt. Ltd. (“**CBRE**” and the report, the “**CBRE Report**”) and “*Industry Report – Upper Tier Hotels, India*”, “*Industry Report – Upper Tier Hotels, Maldives*” and “*Industry Report – Sri Lanka*” each dated September 8, 2024 prepared by Crowe Horwath HTL Consultants Pvt. Ltd. (“**Horwath**” and the reports, the “**Horwath Reports**”) (collectively, CBRE and Horwath “**Industry Consultants**”, and the Horwath Reports and CBRE Report, the “**Industry Reports**”) for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent from the Industry Consultants to include their name, date of engagement letters, the Industry Reports and its contents or any extract or references thereof in the DRHP, Red Herring Prospectus and Prospectus. The Industry Reports have been commissioned and paid for by the Company exclusively for the purposes of the Issue.

1. Business and commercial diligence:








The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending a kick-off discussion, transaction related calls/ virtual and in-person meetings with the management of the Company, its Subsidiaries and Joint Venture, to develop an understanding of the business, history and other matters of the Company, its Subsidiaries and Joint Venture including an overview of the industry and the regulatory environment. These discussions were attended by *inter-alia* the Chief Financial Officer, Company Secretary and Compliance Officer and certain other senior management of the Company along with other members of the secretarial, legal and financial departments of the Company, the Legal Counsel, the BRLMs and the Statutory Auditor. A broad overview of the business of the Company, its Subsidiaries and Joint Venture, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, financial information and shareholding pattern of the Company and details of the Promoters of the Company was given which was followed by interactive discussions;
- (b) Requesting the Company to make available relevant due diligence documents on the virtual data room or through e-mails/ other means, and reviewing those documents, along with the Legal Counsel, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions;
- (c) Regularly interacting with the management team of the Company including the Chief Financial Officer, Company Secretary and Compliance Officer as well as other senior personnel from the business, secretarial, legal and finance departments and the Statutory Auditor, for the purpose of gaining an understanding about the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included: (i) due diligence calls, physical and virtual drafting sessions, and conference calls to discuss the disclosures in the DRHP, (ii) due diligence calls with the Statutory Auditor, Previous Auditor, Title Lawyers, Industry Consultants and the Independent Chartered Accountant; (iii) seeking appropriate clarifications from the Company, the Statutory Auditor, the Previous Auditor, the Maldivian Subsidiaries Auditor, the Independent Chartered Accountant and the Independent Architects with respect to key financial, operational data, and other information in the DRHP; (iv) bring down due diligence call with representatives of the management of the Company to receive updated information from the Company before filing the DRHP; (v) due diligence calls with Industry Consultants and (vi) obtaining appropriate clarifications and certifications/ opinions/ reports from the Company, Subsidiaries, Joint Venture, Directors, Key Managerial Personnel, Senior Management, Promoters,

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members of the Promoter Group, Group Companies, the Statutory Auditor, the Previous Auditor, Independent Architects, Title Lawyers, Maldivian Subsidiaries Auditor and the Independent Chartered Accountant. These interactions were conducted with an objective to assist the Company to prepare disclosures in the DRHP as required under the SEBI ICDR Regulations and other applicable laws with regard to the Issue. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled “*Our Business*” and “*Risk Factors*” in the DRHP. We expect these interactions and due diligence calls and discussions to continue until allotment of Equity Shares in the Issue;

- (d) Conducting physical site visits for the properties forming part of the Portfolio *inter alia* JW Marriott, Pune, Ritz Carlton, Pune and Business Bay, Pune.
- (e) Obtaining certificates dated September 3, 2024 and 6, 2024 issued by the Independent Architects on certain details with respect to the hospitality and annuity assets of the Company, its Subsidiaries and Joint Venture including but not limited to area of the hotels and properties including the break-up of area in the hotels and key operational figures, such as number of keys, hotel rooms and land parcels; etc.
- (f) Obtaining title reports from the Title Lawyer, on the title of the land owned or leased by the Company and its Subsidiaries for their hospitality and annuity assets;
- (g) Reviewing, together with the Legal Counsel, business related contracts entered by the Company and its Subsidiaries, including the contracts entered into in ordinary course of business for carrying out business operations;
- (h) Obtaining the approval of the Audit Committee of the Company with respect to disclosures on the key performance indicators (“**KPIs**”) of the Company included in the “*Basis for Issue Price*” section of the DRHP, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, notified by the SEBI on November 21, 2022;
- (i) Obtaining and relying on circle-ups and certificates, as applicable, from (i) the Statutory Auditor, the Previous Auditor, on financial and certain other information included in the DRHP as well as certifying the purpose for which loans were availed by the Company; (ii) agreed upon procedures report from Ernst & Young, Chartered Accountants, Maldives (“**Maldivian Subsidiaries Auditor**”) reporting the purpose for which loans proposed to be repaid/ prepaid from the Issue proceeds were availed by SS & L Beach Private Limited and Maldives Property Holdings Private Limited; and (iii) the Independent Chartered Accountant, on certain financial related information and operational data included in the DRHP;
- (j) Obtaining foreign counsel opinions with respect to the foreign Subsidiaries and Joint Venture of the Company, namely (i) SS & L Beach Private Limited and Maldives Property Holdings Private Limited from S&A Lawyers LLP; (ii) Kudakurathu Island Resort Private Limited from Muizzu & Co LLP; and (iii) Nagenehira Resorts (Private) Limited from Jagath N. Wijeratne, Attorney at Law;
- (k) Obtaining and relying on formal representations and undertakings from the Company in the Issue Agreement; and

- (1) For certain information, relying on certificates issued by human resources and management certificates from the Company and the Promoters.

2. Industry Information

The Company has placed reliance on the Industry Reports for disclosures in the industry overview section of the DRHP. The Industry Reports have been paid for and exclusively commissioned by the Company for the purposes of confirming its understanding of the industry in which it operates in connection with the Issue. The industry related information contained in the DRHP, including in the sections titled “*Summary of the Issue Document*”, “*Industry Overview*”, “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, and elsewhere in the DRHP, has been included from the Industry Reports.

We interacted with the Industry Consultants and assisted the Company in obtaining the Industry Reports prepared by the Industry Consultants for the purposes of confirming the Company’s understanding of the industry in connection with the Issue. Further, a due diligence call was conducted with the Industry Consultants, and necessary consents were obtained from them to disclose the contents of the Industry Reports in the DRHP.







The Industry Reports will be available on the website of the Company at <https://ventivehospitality.com/industry-report/>, until Bid/ Issue Closing Date and shall form part of the material contracts and documents for inspection as listed in the section “*Material Contracts and Documents for Inspection*” of the DRHP.

3. Financial information and Financial indebtedness

Due diligence was conducted on financial matters, which included meetings and due diligence calls with the Statutory Auditor and the Independent Chartered Accountant, discussions with the Chief Financial Officer and other members of finance department of the Company, review of the (i) Statutory Auditor’s examination report on the Restated Financial Information (*as defined below*) and assurance report on the Pro Forma Financial Information and certification issued by them, (ii) the Previous Auditor’s examination report and certification issued by them, (iii) and the certificates from the Independent Chartered Accountant along with review of other related documents.

The DRHP includes the Restated Financial Information for Fiscals 2024, 2023 and 2022. The Statutory Auditor has examined the Restated Financial Information (along with notes, annexures and schedules thereto), presented in the DRHP, and has issued examination report dated September 7, 2024 (“**Restated Financial Information**”). The Previous Auditor had issued their examination report in relation to the Restated Financial Information for the Fiscal ended March 31, 2022, which has been cited in the examination report issued by the Statutory Auditor and relied upon them in relation to the Restated Financial Information.

Subsequent to March 31, 2024, being the latest period for which the Restated Financial Information has been included in the DRHP, the Company has directly and/ or indirectly acquired a) the Acquired Enterprises (*i.e.*, Eon-Hinjewadi Infrastructure Private Limited, KBJ Hotel & Restaurants Private Limited, UrbanEdge Hotels Private Limited, Novo Themes Properties Private Limited, Panchshil Corporate Park Private Limited, Wellcraft Infraprojects Private Limited, Kudakurathu Island Resort Private Limited, Maldives Property Holdings Private Limited, Restocraft Hospitality Private Limited and SS & L Beach Private Limited), and b) the Hotel Businesses (*i.e.* Oakwood Residences, Pune,

Marriott Suites, Pune and Kudakurathu Island Resort Private Limited). As a result of the Acquisition Transactions, the Company has included the Pro Forma Financial Information for Fiscal 2024, 2023 and 2022 to illustrate the impact of Acquisition Transactions undertaken as if the acquisition had taken place as of and for the Financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.








A review of the Restated Financial Information and the examination report issued thereon by the Statutory Auditor and the Pro Forma Financial Information and the assurance report issued thereon by the Statutory Auditor, was conducted along with discussions with the Statutory Auditor on the form and manner of the examination report and the assurance report required for such financial information.

Furthermore, the Statutory Auditor has delivered a customary comfort letter along with circle-up confirmation to the BRLMs confirming the accuracy with respect to certain financial and other information disclosed in the DRHP. Reliance was also placed on the statement of special tax benefits available to the Company, its Shareholders and Panchshil Corporate Park Private Limited, issued by the Statutory Auditor and statement of special tax benefits available to the two material foreign subsidiaries of the Company, namely SS & L Beach Private Limited and Maldives Property Holdings Private Limited from Faris & Co LLP, included in the DRHP. Additionally, reliance was also placed on *inter alia* the certification issued by the Statutory Auditor on the: (i) computation of the Company's net worth, average operating profit/loss and net tangible assets (including the percentage thereof which are held in monetary assets), each on a restated and consolidated basis, to assess eligibility of the Company to undertake the Issue; (ii) compliance with certain corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") by the Company; and (iii) utilisation of certain borrowings availed by the Company proposed to be repaid utilising a portion of the Net Proceeds.

The Previous Auditor has delivered a customary comfort letter along with circle-up confirmation to the BRLMs confirming the accuracy with respect to certain financial information disclosed in the DRHP as at and for the Fiscal ended March 31, 2022.

The comfort letters issued by the Statutory Auditor and the Previous Auditor, will be re-issued or brought down at certain future dates, as the Issue progresses, including prior to the filing of the Red Herring Prospectus and the Prospectus, and with respect to the Statutory Auditor, at the stage of allotment of Equity Shares in the Issue.

Further, the Independent Chartered Accountant assisted the BRLMs by verifying and providing certifications in relation to, amongst others, average cost of acquisition of shares by the Promoters, weighted average price at which the Equity Shares were acquired by the Promoters in the last one year, 18 months and three years, taxation proceedings involving the Company, its Subsidiaries and Joint Venture, amounts outstanding against borrowings of the Company, its Subsidiaries and Joint Venture, details of any outstanding dues owed to micro and small enterprises, material creditors and other creditors of the Company, remuneration of Key Managerial Personnel and Senior Management, basis for Issue Price and certain key performance indicators of the Company disclosed in the DRHP. The Independent Chartered Accountant has also confirmed that related party transactions of the Company have, been entered into in accordance with applicable laws, on an arm's length basis. The Independent Chartered Accountant has also confirmed the compliance of (i) Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012; (ii) Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 and (iii) Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015.

As on the date of the DRHP, the Statutory Auditor, and the Independent Chartered Accountant have, each respectively, confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India (the “**Peer Review Board**”). Copies of the peer review certificate issued by the Peer Review Board to the Previous Auditor were also reviewed. The Statutory Auditor and Independent Chartered Accountant have respectively, consented to be named as experts (as referred to above), in terms of the Companies Act, 2013, in the DRHP and such consents have not been withdrawn as at the date of the DRHP.






For the purposes of the DRHP, a diligence exercise of outstanding financial indebtedness of the Company, its Subsidiaries and Joint Venture was conducted, and such information has been disclosed in a summarised form in the DRHP. In this connection, the relevant sanction letters issued by the lenders of the Company and its Indian Subsidiaries (as applicable) as well as other financing related documents were reviewed and reliance was placed on the foreign counsel opinion for the facilities availed by the SS & L Beach Private Limited and Maldives Property Holdings Private Limited. Reliance was also placed on certifications obtained from the Independent Chartered Accountant in connection with the financial indebtedness of the Company (on a consolidated basis) and ascertaining the amount of outstanding borrowings of the Company (on a consolidated basis) as of August 31, 2024 which has been disclosed in the section titled “*Financial Indebtedness*” of the DRHP. The Company and its Subsidiaries has also received written letters from the relevant lenders, *inter alia*, consenting to the Company to undertake the Issue and related corporate actions, as applicable, and such consents are valid and have not been withdrawn as of date.

In accordance with the SEBI ICDR Regulations, the audited financial statements of the Company and its material subsidiaries (determined based on Pro Forma Financial Information) i.e., EON Hinjewadi Infrastructure Private Limited, Urbanedge Hotels Private Limited, KBJ Hotel and Restaurants Private Limited, SS & L Beach Private Limited, Maldives Property Holdings Private Limited, Panchshil Corporate Park Private Limited and Kudakurathu Island Resorts Private Limited as at and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 are available on the website at <https://ventivehospitality.com/financial-statements/>. The material subsidiaries have been acquired by the Company pursuant to the Acquisition Transactions subsequent to March 31, 2024.

4. The Company, Promoters, members of the Promoter Group, Group Companies, Subsidiaries, Joint Venture, Directors, the Key Managerial Personnel and Senior Management of the Company

For the purposes of making certain disclosures with respect to the Promoters, members of the Promoter Group, Group Companies, Subsidiaries, Joint Venture, Directors, Key Managerial Personnel and Senior Management in the DRHP, supporting documents (as applicable) and certifications from the relevant entities/ persons have been obtained.

In addition, confirmations have been received from the Company, its Directors, its Promoters, and Promoter Group stating that they are not debarred from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, confirmations have been received from the Company, Promoters and Directors confirming that they are not identified as “wilful defaulters or fraudulent borrowers” as defined under the SEBI ICDR Regulations. Further, confirmations have also been received from the Promoters and Directors that they are not declared as ‘fugitive economic offenders’ as defined in the SEBI ICDR Regulations. Confirmations have also been taken from each of the Directors that: (a) they have not been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any

stock exchange during five preceding years prior to the date of the DRHP, during their tenure; and (b) they have neither been, nor are a director on the board of directors of any listed company that has been delisted from any stock exchange, during their tenure and appropriate disclosures have been made in the DRHP, as applicable.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management, reliance has been placed *inter alia* on relevant transcripts, degree certificates, experience certificates, appointment and relieving letters issued by previous and current employers and other back-up documents as well as certifications received from such Directors, Key Managerial Personnel and Senior Management.

Further, confirmations have been received from the Company, Promoters, and Promoter Group in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as on date of the DRHP, to the extent applicable in relation to the Company.

Further, public domain searches, including on the websites of CIBIL and watchout investors for Company, its Subsidiaries, Joint Venture, Promoters, Directors, members of the Promoter Group and Group Companies were carried out and the results of such searches were analysed and written confirmations in respect of the relevant parties, were obtained.

In accordance with the SEBI ICDR Regulations, the “Group Companies” have been considered to be (i) such companies (excluding the Promoters and Subsidiaries) with which there were related party transactions, as covered under applicable accounting standards as disclosed in the Restated Financial Information, and (ii) any other companies considered ‘material’ in accordance with the Materiality Policy.

In accordance with the Materiality Policy adopted by the Board on September 7, 2024, the Company has considered as material, the companies (other than the Promoters and Subsidiaries), that are a part of the Promoter Group with which the Company has had transactions in the most recent financial year or the relevant stub period for which financial information is disclosed in the Draft Red Herring Prospectus, as applicable, which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the most recent financial year or the stub period, as the case may be, as per the Restated Financial Information. Based on the requirements of the SEBI ICDR Regulations and Materiality Policy, the Company has identified 10 Group Companies. For details see “*Our Group Companies*” on page 308 of the DRHP.

As per the provisions of the SEBI ICDR Regulations, the Company is required to provide links of the website of the Group Companies of the Company where certain financial information of the top five Group Companies have been disclosed. In accordance with such requirement, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the following top five Group Companies (determined on the basis of their market capitalization or annual turnover, as applicable), based on their respective audited financial statements for the preceding three years shall be hosted on website, as indicated below:

S. No	Group Companies	Website
1.	Panchshil Infrastructure Holdings Private Limited*	https:// ventivehospitality.com/investor/
2.	EON Kharadi Infrastructure Private Limited	https://www.eonfreezezone.com/financials



S. No	Group Companies	Website
3.	Gramercy Trade Industries Private Limited*	https:// ventivehospitality.com/investor/
4.	A2Z Online Services Private Limited	https://www.a2zonlineservices.com/compliances.
5.	Panchshil Realty & Developers Private Limited*	https:// ventivehospitality.com/investor/

* Since the Group Company do not have their own website, the data will be hosted on the website of the Company.

5. Statutory and/ or regulatory and other diligence







In connection with diligence of statutory and/ or regulatory matters, a review was conducted of the relevant statutory and/ or regulatory records of the Company, *inter-alia*, including the corporate records, filings made by the Company with various statutory and/ or regulatory authorities, in conjunction with the Legal Counsel. A review was also conducted of the material licenses, approvals and registrations applied for and/or received by the Company and its Subsidiaries to undertake their business activities, and such other documents as were deemed necessary and as have been provided by the Company from time to time. Further reliance was placed on representations and certifications provided by the Company, in connection with such statutory and/ or regulatory matters and certificates. In relation to the material licenses, approvals and registrations of the foreign Subsidiaries and Joint Venture, reliance was placed on foreign counsel opinions issued by (i) S&A Lawyers LLP for SS & L Beach Private Limited and Maldives Property Holdings Private Limited; (ii) Muizzu & Co LLP for Kudakurathu Island Resort Private Limited; and (iii) Jagath N. Wijeratne, Attorney at Law for Nagenhira Resorts (Private) Limited.

In relation to the build-up of the existing share capital of the Company, the statutory form filings, share transfer register, board and shareholders' resolutions filed, prepared and maintained by the Company and approvals obtained by the Company were reviewed. A certificate dated September 10, 2024 was also obtained from Mehta & Mehta, Practicing Company Secretaries, confirming that the issuance of securities by the Company is in compliance with applicable law.

In addition to disclosure of approvals related to the incorporation of the Company its Subsidiaries and Joint Venture, key business-related approvals obtained by the Company and its Subsidiaries and Joint Venture, and taxation related registrations, the type of material approvals required by the Company, its Subsidiaries and Joint Venture for carrying on its business operations were reviewed and have been summarised in the DRHP. The description of the Material Approvals (*as defined below*) obtained for the business operations were reviewed, and disclosure of such Material Approvals (*as defined below*) for which applications are pending has also been disclosed in the DRHP.

A list of consents, licenses, registrations, permissions and approvals of the Company, its Subsidiaries and Joint Venture, which are considered material and necessary for the purposes of undertaking their respective business and operations (“**Material Approvals**”) was provided by the Company, and copies of such Material Approvals, as provided by the Company, were reviewed. Regular interactions were conducted, including along with the Legal Counsel, with the officials of the Company to understand the material approvals that are required to be obtained by the Company, its Subsidiaries and Joint Venture to carry out its business. Representations and certifications provided by the Company, Subsidiaries and Joint Venture in connection with such statutory and/ or regulatory matters were relied on. Reliance was placed on the foreign counsel opinion for the Material Approvals obtained by the SS & L Beach Private Limited and Maldives Property Holdings Private Limited

6. Outstanding Litigation Proceedings and Material Creditors

The Company has disclosed outstanding litigation involving the Company, its Subsidiaries, its Promoters, its Directors, its Group Companies and Joint Venture on the basis of the requirements under the SEBI ICDR Regulations. Disclosures on outstanding litigation and material creditors have been made as per the Materiality Policy (*as defined below*) in the “*Outstanding Litigation and Material Developments*” section of the DRHP.

The Company has disclosed the following outstanding litigation involving the Company, its Subsidiaries and Joint Venture, its Promoters and its Directors, as applicable, in accordance with the requirements under SEBI ICDR Regulations: (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities including notices issued by such authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) other outstanding litigation as determined to be material by the Board of Directors of the Company (“**Board**”) pursuant to the Materiality Policy (*as defined below*) in accordance with the SEBI ICDR Regulations, involving the Company, Subsidiaries, Joint Venture, Promoters and Directors (“**Relevant Parties**”).








There were no litigation proceedings involving the Group Company which have a material impact on the Company.

In accordance with the SEBI ICDR Regulations, the Board has approved a materiality policy by a resolution dated September 7, 2024 (“**Materiality Policy**”) for identification of: (a) material outstanding litigation; (b) companies to be categorised as Group Companies; and (c) material creditors, for the purposes of disclosure in the DRHP. The materiality thresholds determined have been disclosed in the section “*Outstanding Litigation and Material Developments*” on page 464 of the DRHP.

Pursuant to the Materiality Policy for the purposes of (iv) above, any pending litigation involving the Relevant Parties, has been considered ‘material’ and accordingly disclosed in the DRHP where: (A) the claim/ dispute amount, to the extent quantifiable, exceeds the 5% of the average of absolute value of the restated profit for the year, in this case being 54.50 million, based on the Restated Financial Information of the preceding three Fiscals; or (B) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (A) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of the Company; or (C) the decision in a proceeding is likely to affect the decision in similar proceedings, even though the amount involved in any individual proceeding does not exceed the Materiality Threshold; or (D) the outstanding civil litigation involving or pertaining to title of the Portfolio were deemed to be material.

Further, pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by any statutory/ regulatory/ governmental/ taxation authorities) have, unless otherwise decided by the Board, not been considered as litigation until such time that the Relevant Parties are impleaded as defendants or respondents in litigation proceedings before any judicial forum. Further, first information reports, if any, (whether cognizance has been taken or not) filed against the Relevant Parties were disclosed in the DRHP.

The creditors of the Company to whom the outstanding amounts as at March 31, 2024 were equal to or exceeded ₹13.82 million (being 5% of the total trade payables as at March 31, 2024 as per the Restated Financial Information), have been considered ‘material’. Based on the SEBI ICDR Regulations and the Materiality Policy, disclosures on outstanding dues to material creditors have been provided in summary

format (indicating the total number of, and aggregate outstanding amounts due to such creditors). A disclosure of the material creditors of the Company, as defined in the Materiality Policy, the names and amount involved for each of the material creditor has been made in the DRHP.

Further, in compliance with the SEBI ICDR Regulations, the details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of the Company at <https://ventivehospitality.com/material-creditors/>.

The Company has provided a statement for outstanding litigation proceedings involving the Company, its Subsidiaries and Joint Venture. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. The Company has also provided requisite supporting documents for outstanding litigation proceedings involving the Company.

With respect to taxation proceedings involving the Company, its Subsidiaries, Joint Venture, Promoters and Directors reliance has been placed on a list provided by the Company and the certificate dated September 10, 2024 issued by the Independent Chartered Accountant in this regard.

There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the five Financial Years preceding the date of the DRHP, including any outstanding action.

For confirmations and disclosures relating to litigation involving Directors, Promoters, and Group Companies, certification has been received from the respective Directors, Promoters and Group Companies.

7. Basis for Issue Price

SEBI had on November 21, 2022 (and published in the Official Gazette on November 23, 2022) introduced certain amendments to the SEBI ICDR Regulations *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (the “**Amendments**”). In compliance with the same, requisite details in relation to key performance indicators pertaining to the Company (“**KPIs**”) and acquisitions/disposals of shares of the Company in accordance with the Amendments have been disclosed in the “*Basis for Issue Price*” chapter of the DRHP and has been approved by the Audit Committee at its meeting held on September 10, 2024.

The certificate dated September 10, 2024, issued by the Independent Chartered Accountant, in relation to the KPIs and the resolution of the Audit Committee dated September 10, 2024, approving the KPIs is included in the section “*Material Contracts and Documents for Inspection*” on page 616 of the DRHP.

8. Objects of the Issue

The Company proposes to utilize the Net Proceeds of the Fresh Issue towards: (i) repayment/prepayment, in part or full, of certain of borrowings availed by a) the Company including payment of interest accrued thereon; and b) two step-down Subsidiaries namely SS & L Beach Private Limited and Maldives Property Holdings Private Limited, including the payment of interest accrued thereon through investment in such step-down Subsidiaries, respectively; and (ii) general corporate purposes.

In relation to the object on repayment or prepayment, in full or in part, of borrowings of the Company and two of the step-down Subsidiaries, the Company has received: (i) certificate dated September 10, 2024 on the utilisation of loans for the purpose availed from its Statutory Auditor in relation to borrowings of the Company; and (ii) agreed upon procedures report dated September 10, 2024 from Maldivian Subsidiaries Auditor in relation to borrowings of SS & L Beach Private Limited and Maldives Property Holdings Private Limited. Further, as a part of the diligence process, copies of the sanction letters, facility agreements and other documents provided by the Company in respect of the borrowings proposed to be repaid from the Net Proceeds were reviewed including by the Legal Counsel and reliance was placed on the foreign counsel opinion for the facilities availed by SS & L Beach Private Limited and Maldives Property Holdings Private Limited.

9. Price information of past issues handled by the Book Running Lead Managers

In respect of price information of past issues handled by the BRLMs, reliance has been placed on the information available on the websites of National Stock Exchange of India Limited and/ or BSE Limited for preparing the statement of price information of the past issues handled by the BRLMs.