



DOKANIA S. KUMAR & CO.
Chartered Accountants

40, Strand Road, Model House,
5th Floor, R. No. 27, Kol-700001
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To,
The Board of Directors,
Travels & Rentals Limited
(hereinafter referred to as the "Issuer Company")
161, Lenin Sarani, Dharmatala,
Kolkata-700013, West Bengal, India

To,
The Board of Directors,
Finshore Management Services Limited,
(hereinafter referred to as the "Lead Manager")
Anandlok, Block-A, Room No:207
227 AJC Bose Road, Kolkata-700020

Dear Sirs/Madam,

Ref: Proposed Initial Public Offering ("IPO") of equity shares by Travels & Rentals Limited ("Company or issuer")

Sub: Examination report on Basis for Issue Price and Key Performance Indicators (KPI).

We the undersigned hereby certify that the Basis for Issue Price and Key Performance Indicators (KPI) of the Issuer company, for the purpose of inclusion in their Draft Prospectus/ Prospectus for the proposed IPO have been thoroughly examined and verified by us with the Restated Financial Statement, the relevant records and other supported documents as set out in **Annexure A**.

We hereby confirm that we have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the "Guidance Note on the Reports or Certificates for Special Purposes (Revised 2016)" issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Notes requires that we comply with the ethical requirements of the "Code of Ethics" issued by the ICAI, as revised from time to time. We also confirm that we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

To the best of our knowledge and belief, this certificate is issued on the basis of examination of records, documents produced, explanations and clarification provided by the management of the company.

This Certificate has been issued at the specific request of Management of the Company for their proposed IPO and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.



Our Head Office at: Howrah



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We also authorise you to deliver a copy of this letter of consent pursuant to the provisions of the Companies Act, 2013 to SEBI, ROC and the stock exchanges or any other regulatory authorities as required by law.

Thanking You,

For Dokania S. Kumar & Co.

Chartered Accountants

Firm Registration Number: 322919E




CA Sourav Dokania

Partner

Membership Number: 304128

Place: Kolkata

Date: 17.08.2024

UDIN: 24204128BKAQBEG176

Our Head Office at: Howrah



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Annexure A

BASIS FOR ISSUE PRICE

The Issue Price of ₹40/- per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹40/- which is 4.00 times of the face value. Investors should also refer "*Our Business*", "*Risk Factors*" and "*Financial Statements as Restated*" beginning on page no. [●],[●] and [●] respectively, of this Draft Prospectus/ Prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are –

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, "*Our Business*", beginning on page no. [●] of this Draft Prospectus/ Prospectus.

QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company's restated financial statements for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled "*Financial Statements as Restated*" beginning on page no [●] of this Draft Prospectus/ Prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years:

Earnings Per Share as per the Company's Restated Financial Information

Particulars	Basic & Diluted EPS (Rs.)		Weight
	With Retrospective Effect of Bonus & Split #	As per Restated	
Year ended March 31, 2022	1.12	39.17	1
Year ended March 31, 2023	2.14	7.49	2
Year ended March 31, 2024	3.64	3.64	3
Weighted Average*	2.72	10.85	

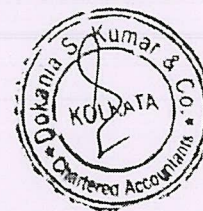
a. **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.

b. **Weighted average:** Aggregate of weights i.e. $[(EPS \times Weight) \text{ for each year}] / [\text{Total of weights}]$

On December 10, 2023, Company has allotted 50,29,775 Equity Shares as Bonus Share in the ratio of 25:10 i.e. Twenty-Five Equity Shares for every Ten fully paid-up equity shares. The EPS has been shown separately giving retrospective effect of Bonus allotment.

On September 08, 2022, Sub-Division of Face Value of Equity Shares from Rs. 100/- per share to Rs 10/- per share.

(For further details, please refer chapter "*Capital Structure*" and "*Financial statement as Restated*" beginning from page no. [●] and [●] respectively of this Draft Prospectus/ Prospectus.)



2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹40/- per equity share of face value of Rs. 10/- each

Particulars	P/E Ratio	
	With Retrospective Effect of Bonus & Split	As per Restated
P/E ratio based on the Basic & Diluted EPS as on March 31, 2024	10.99	10.99
P/E ratio based on the Weighted Average EPS	14.71	3.69

3. Average Return on Net Worth (RoNW) for last 3 years as per the Company's Restated Financial Information

Particulars	RoNW in %	Weight
Year ended March 31, 2022	14.06	1
Year ended March 31, 2023	20.31	2
Year ended March 31, 2024	20.06	3
Weighted Average	19.14	

Weighted average: Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. [(Return on Net Worth x Weight) for each year] / [Total of weights]

Note: Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

4. Net Assets Value:

Particulars	With Retrospective Effect of Bonus & Split	As per Restated
Net Asset Value per Equity Share as of March 31, 2024	18.16	18.16
Net Asset Value per Equity Share after the Issue	24.12	
Issue Price per equity share	40.00	

Note: Net Asset Value per equity share represents "total assets less total liability as per the restated financial information as divided by the number of equities shares outstanding as at the end of year/period."

5. Comparison with other listed companies/Industry peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who provide Tours and Travel services as one of their services, i.e. M/s. Sailani Tours N Travels Limited.

Name of Company	CMP (in ₹)**	Face Value (in ₹)	EPS Basic	NAV per Equity Share	P/E Ratio	RoNW (%)	Turnover (₹ in Lakhs)
Peer Group**							
Sailani Tours N Travels Limited	24.40	10.00	0.63	15.41	38.73	4.10	2,346.27
Issuer Company							
Travels & Rentals Limited [^]	40.00	10.00	3.64	18.16	10.99	20.06	752.83

#Considering the nature and size of business of the Company, the peers may not be exactly comparable. Hence a strict comparison is not possible. However, the above companies have been included for broader comparison

^ Based on full completed financial year ended on March 31, 2024 on Restated basis

**Source for Peer Companies: Annual Reports (figures as on March 31, 2024)*

***CMP as on 17/08/2024 for Peer Group and IPO price for Travels & Rentals Ltd*



6. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 17, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus/ Prospectus. Further, the KPIs herein have been certified by M/s. Dokania S. Kumar & Co., Chartered Accountants, by their certificate dated August 17, 2024.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

a. Financial KPIs of our Company:

₹ in lakhs except percentage and ratios

Particulars	31-03-2024	31-03-2023	31-03-2022
Total Income	803.54	579.06	290.59
Growth (%)	38.77	99.27	45.03
Revenue from Operation	752.83	567.05	285.31
EBITDA (Operating Profit)	434.79	238.00	157.49
EBITDA Margin (%)	57.75%	41.97%	55.20%
PAT	296.55	150.64	69.01
Growth (%)	96.86%	118.29%	1770.19%
PAT Margin (%)	36.91%	26.01%	23.75%
EPS (Basic & Diluted) - after adjusting Bonus & Split	3.64	2.14	1.12
Total Borrowings	470.94	560.97	755.41
Total Net Worth (TNW)	1,478.48	741.52	490.88
RONW (%)	20.06%	20.32%	14.06%
Debt Equity Ratio (Total Borrowing/TNW)	0.32	0.76	1.54

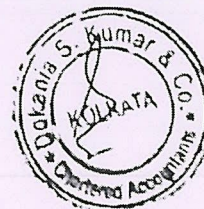
As certified by M/s. Dokania S. Kumar & Co., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated August 17, 2024.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page [●] and [●] respectively of Draft Prospectus/ Prospectus. All such KPIs have been defined consistently and precisely in "Definitions and Abbreviations" on page [●] of Draft Prospectus/ Prospectus.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this "Basis for Offer Price" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchange; or (ii) till the utilization of the Net Proceeds as disclosed under "Objects of the Issue" on page [●] of Draft Prospectus/ Prospectus.

b. Comparison of KPIs with listed Industry Peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who provide Tours and Travel services as one of their services, i.e. M/s. Sailani Tours N Travels Limited.



₹ in lakhs except percentage and ratios

Particulars	Sailani Tours N Travels Ltd		
	31-03-2024	31-03-2023	31-03-2022
Total Income	2,351.40	2,560.58	1,009.70
Growth (%)	(8.17)	153.60	797.03
Revenue from Operation	2,346.27	2,552.41	1,007.09
EBITDA (Operating Profit)	78.51	75.54	38.64
EBITDA Margin (%)	3.35%	2.96%	3.84%
PAT	29.71	44.25	15.52
Growth (%)	-32.86%	185.12%	98.97%
PAT Margin (%)	1.26%	1.73%	1.54%
EPS (Basic & Diluted) - after adjusting Bonus & Split	0.63	1.04	1.01
Total Borrowings	73.60	70.57	313.75
Total Net Worth (TNW)	724.74	695.02	174.67
RONW (%)	4.10%	6.37%	8.89%
Debt Equity Ratio (Total Borrowing/TNW)	0.10	0.10	1.80

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/ period to compute the corresponding financial ratios.

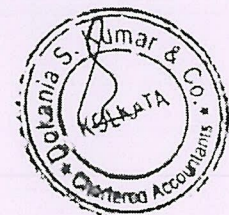
Explanation for the Key Performance Indicators

- Total Income means Revenue from Operations and Other Incomes as appeared in the Restated Financial Statements;
- Total Income Growth (%) is calculated as a percentage of Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
- Revenue from operations means Revenue from Operations as appearing in the Restated Financial Statements;
- EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
- EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- PAT represents total profit after tax for the year / period;
- PAT Growth (%) is calculated as a percentage of PAT of the relevant period minus PAT of the preceding period, divided by PAT of the preceding period.
- PAT Margin is calculated as PAT divided by total income;
- Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year / period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities;
- Total Borrowings are calculated as total of current and non-current borrowings;
- "Net worth" means the aggregate value of the paid-up 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, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations;
- "RONW" is calculated Profit after Tax for the period / Net Worth
- Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & noncurrent borrowings; total equity means sum of equity share capital and other equity;

Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:

KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our



KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
	Company and size of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
PAT	Profit After Tax (PAT) for the year / period provides information regarding the overall profitability of the business
PAT Growth (%)	Profit after tax growth provides information regarding the growth of the operational performance for the respective period
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business
EPS (Basic & Diluted) (%)	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net Worth	Net worth is used to track the book value and overall value of shareholders' equity
RONW	RONW provides how efficiently our Company generates earnings for the equity shareholders of the Company.
Debt Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers

7. Weighted Average Cost of Acquisition:

- (a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

Other than as mentioned below, there have been no issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Prospectus/ 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)), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Nature/Reason of Allotment	Nature of Consideration	Total Consideration (in ₹)
26-12-2023	11,01,000	10/-	40/-	Preferential Issue	Cash	4,40,40,000
Total	11,01,000					4,40,40,000
Weighted Average Cost of Acquisition (WACA) per Equity Share						40.00

- (b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares, where the Promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale 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.



(c) Weighted Average Cost of Acquisition and Offer Price

Type of Transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Offer Price (i.e. ₹ 40/-)
Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above.	40.00	1.00 times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above.	N.A.^	N.A.^

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Prospectus/ Prospectus.

8. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue Price of ₹ 40/- per Equity Share is 4.0 times the face value.

The Issue Price of ₹ 40/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors", and chapters titled "Our Business" and "Financial Statements as Restated" beginning on page no.[•],[•]and [•], respectively of this Draft Prospectus/ Prospectus.

Page nos. [•] will be updated in the Draft Prospectus/Prospectus at the time of finalizations.

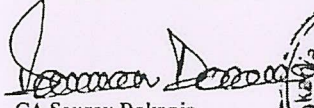
The information for the issuance of this certificate is true and correct to the best of our knowledge and belief and nothing has been concealed or misrepresented. We confirm that any changes to the above that we may be aware of shall immediately be intimated to the Lead Manager till the date the Equity Shares of the Company commence trading on the Stock Exchange. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

Thanking You.

For Dokania S. Kumar & Co.

Chartered Accountants

Firm Registration Number: 322919E



CA Sourav Dokania

Partner

Membership Number: 304128

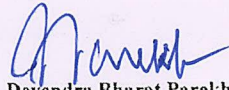
Place: Kolkata

Date: 17.08.2024

UDIN: 24304128BKAGBE917E



For Travels & Rentals Limited



Devendra Bharat Parekh

(Managing Director)

DIN No: 00394855

Date: 17.08.2024



Sayad Aziz Ahmad

(Chief Financial Officer)

Date: 17.08.2024

