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## TBO TEK LIMITED



(Please scan this QR Code to view the RHP and the abridged prospectus)

Our Company was incorporated as 'Tek Travels Private Limited' in New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 6, 2006, issued by the Registrar of Companies, Delhi and Haryana at New Delhi (the "RoC"). Thereafter, the name of our Company was changed to 'TBO Tek Private Limited' and a fresh certificate of incorporation dated October 22, 2021 was issued by the RoC. Subsequently, our Company was converted into a public limited company and the name of our Company was changed to 'TBO Tek Limited' and a fresh certificate of incorporation dated November 3, 2021 was issued by the RoC. For further details of conversion and change of name of our Company and details of change(s) in the registered office of our Company, see "History and Certain Corporate Matters" on page 202 of the red herring prospectus of our Company dated April 28, 2024 ("RHP" or "Red Herring Prospectus").

Registered Office: E-78, South Extension Part I, New Delhi - 110 049, India; Corporate Office: Plot No. 728, Udyog Vihar Phase V, Gurugram, Haryana - 122016, India  
Telephone: +91 124 499 8999; Contact person: Neera Chandak, Company Secretary and Compliance Officer, E-mail: corporatesecretarial@tbo.com; Website: www.tbo.com; Corporate Identity Number: U74999DL2006PLC155233

### PROMOTERS OF OUR COMPANY: ANKUSH NIJHAWAN, GAURAV BHATNAGAR, MANISH DHINGRA, ARJUN NIJHAWAN AND LAP TRAVEL PRIVATE LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES") OF TBO TEK LIMITED (THE "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,000.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,508,797 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (THE "OFFERED SHARES") BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE RHP), COMPRISING UP TO 2,033,944 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GAURAV BHATNAGAR, UP TO 2,606,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY LAP TRAVEL PRIVATE LIMITED ("LAP TRAVEL") AND UP TO 572,056 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MANISH DHINGRA (GAURAV BHATNAGAR, LAP TRAVEL AND MANISH DHINGRA, COLLECTIVELY REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 2,637,040 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY TBO KOREA HOLDINGS LIMITED ("TBO KOREA"), AND UP TO 4,659,757 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AUGUSTA TBO (SINGAPORE) PTE. LTD. ("AUGUSTA TBO"), AND TOGETHER WITH TBO KOREA, THE "INVESTOR SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS TOGETHER REFERRED TO AS THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING UP TO ₹30 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN THE RHP) (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 WILL CONSTITUTE [●]% AND [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY. THE FACE VALUE OF EQUITY SHARES IS ₹ 1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

#### DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS

| NAME OF THE SELLING SHAREHOLDER | TYPE                         | NUMBER OF SHARES OFFERED                                      | WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)* |
|---------------------------------|------------------------------|---|---|
| Gaurav Bhatnagar                | Promoter Selling Shareholder | Up to 2,033,944 Equity Shares aggregating up to ₹ [●] million | 1.95  |
| Manish Dhingra                  | Promoter Selling Shareholder | Up to 572,056 Equity Shares aggregating up to ₹ [●] million   | 0.08  |
| LAP Travel                      | Promoter Selling Shareholder | Up to 2,606,000 Equity Shares aggregating up to ₹ [●] million | 0.04  |
| TBO Korea                       | Investor Selling Shareholder | Up to 2,637,040 Equity Shares aggregating up to ₹ [●] million | -   |
| Augusta TBO                     | Investor Selling Shareholder | Up to 4,659,757 Equity Shares aggregating up to ₹ [●] million | -   |

\*On a fully diluted basis.

We operate an online B2B travel distribution platform that provides a wide range of offerings and connects Buyers and Suppliers. We have two key revenue model for our transaction, i.e., B2B Rate Model where we receive inventory from Suppliers on which we apply a certain mark-up and pass on to the Buyers and Commission Model where our Suppliers fix the price at which they want to sell to the end traveller and upon which we receive commission from the Supplier; part of which we retain and part of which we share with the Buyer.

The Offer is being made through the Book Building Process pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations").

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

Retail Portion: Not more than 10% of the Net Offer.

Employee Reservation: [●] Equity Shares (constituting up to [●]% of our post-Offer paid-up Equity Share capital) aggregating up to ₹30 million.

### PRICE BAND: ₹875 TO ₹920 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 875 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 920 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNING RATIO AT THE FLOOR PRICE IS 62.19 TIMES AND AT THE CAP PRICE IS 65.39 TIMES BASED ON THE DILUTED EPS FOR FINANCIAL YEAR ENDED AS MARCH 31, 2023.

BIDS CAN BE MADE FOR A MINIMUM OF 16 EQUITY SHARES AND IN MULTIPLES OF 16 EQUITY SHARES THEREAFTER.

#### DETAILS OF THE SECONDARY SALE BY INVESTOR SELLING SHAREHOLDERS:

| Date of transfer of Equity Shares | Name of Transferor | Name of Transferee | Number of Equity Shares Transferred (of face value of ₹ 1 each) | Transfer Price per Equity Share (in ₹) |
|-----------------------------------|--------------------|--------------------|---|--|
| October 26, 2023                  | TBO Korea          | General Atlantic   | 2,825,400   | 575.87                                 |
| October 26, 2023                  | Augusta TBO        | General Atlantic   | 4,992,597   | 575.87                                 |
| February 15, 2024                 | TBO Korea          | General Atlantic   | 2,825,400   | 574.49                                 |
| February 15, 2024                 | Augusta TBO        | General Atlantic   | 4,992,597   | 574.49                                 |

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated May 2, 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), as applicable, disclosed in the "Basis for Offer Price" section on page 125 of the RHP.

### RISKS TO INVESTORS

- Regulatory risk:** Our Company and our Joint Managing Directors, namely, Ankush Nijhawan and Gaurav Bhatnagar, have received a show cause notice from the Enforcement Directorate in respect of transactions carried out on our Company's portal by certain parties based outside India. In this regard, compounding applications were filed on October 17, 2023, subsequent to which the Reserve Bank of India ("RBI") has directed our Company to regularize the transactions set out above, by way of obtaining post facto approvals or unwinding the transactions. Our Company has submitted its application to obtain post facto approval from the RBI and is awaiting such approval in this respect. Therefore, we may be subject to regulatory actions and penalties/compounding fees for such non-compliance which may adversely impact our business, financial condition and reputation. In accordance with Section 13 of the FEMA, our Company may be liable to pay a penalty of up to thrice the sum involved in the contravention above, if such amount is quantifiable, however, in the event the compounding applications are admitted by the RBI, our Company and the Joint Managing Directors will be liable to pay up to a maximum estimated amount of ₹16.15 million for compounding of the transactions set out above, in accordance with the Master Direction- Compounding of Contraventions under FEMA, 1999 dated January 1, 2016, as amended, issued by the RBI. For details, see "Risk Factor 6" on page 34 of the RHP.
- Industry concentration risk:** Our revenue is substantially dependent on the hotels and ancillary bookings whose contribution has significantly increased from 35.69% of our revenue from operations for Fiscal 2021 to 67.83% for Fiscal 2023 and was 67.59% and 72.47%, respectively, for the nine months ended December 31, 2022 and December 31, 2023. In addition, all of our Gross Transaction Value ("GTV") is entirely dependent on our air and hotels and ancillary bookings in the last three Fiscals and in the nine months ended December 31, 2022 and December 31, 2023, respectively. Factors that may negatively impact our hotels and ancillary bookings could have an adverse effect on our business, prospects, results of operations and financial condition.
- Risk in relation to dependence on limited Suppliers:** Our business depends on our relationships with a limited range of Suppliers, and any adverse changes in such relationships, or our inability to enter into new relationships, could adversely affect our business and results of operations. The details of contribution by our top Supplier, top five Suppliers and top 10 Suppliers are set out below:

| Category           | Fiscal                              |   |                                     |   |                                     |   | Nine months period ended December 31, |   |                                     |   |
|--------------------|-------------------------------------|---|-------------------------------------|---|-------------------------------------|---|---------------------------------------|---|-------------------------------------|---|
|                    | 2021                                |   | 2022                                |   | 2023                                |   | 2022                                  |   | 2023                                |   |
|                    | Revenue from operations (₹ million) | Percentage of revenue from operations (%) | Revenue from operations (₹ million) | Percentage of revenue from operations (%) | Revenue from operations (₹ million) | Percentage of revenue from operations (%) | Revenue from operations (₹ million)   | Percentage of revenue from operations (%) | Revenue from operations (₹ million) | Percentage of revenue from operations (%) |
| Top Supplier       | 425.59                              | 30.01                                     | 1,467.17                            | 30.36                                     | 2,925.54                            | 27.48                                     | 2,200.62                              | 28.10                                     | 2,791.67                            | 27.27                                     |
| Top five Suppliers | 988.02                              | 69.67                                     | 2,955.47                            | 61.16                                     | 6,108.52                            | 57.38                                     | 4,517.53                              | 57.68                                     | 6,147.33                            | 60.05                                     |
| Top 10 Suppliers   | 1,143.73                            | 80.65                                     | 3,533.27                            | 73.11                                     | 7,263.92                            | 68.23                                     | 5,393.16                              | 68.86                                     | 7,240.11                            | 70.72                                     |

- Risk in relation to pricing of inventory by the Suppliers:** Our business is exposed to pricing pressure from our Suppliers who may withhold inventory or modify the terms of our arrangements, including for a reduction or elimination of commission, incentive or other compensation payable to us, which could adversely affect our business and results of operations.
- Risk in relation to secondary transaction in the Equity Shares below the Cap Price:** Our Cap Price of ₹ 920 is at a premium of 1.60 times to the price at which our existing shareholders, namely Augusta TBO and TBO Korea, have sold Equity Shares to General Atlantic in October 2023 and February 2024.
- Growth and competition risk:** If we are unable to continue to increase the number of Buyers and Suppliers using our platform such that (a) the Suppliers stop listing their offerings on our platform, we may be unable to maintain and grow our Buyers' traffic and conversely, if we are unable to maintain and grow our Suppliers' traffic, our Suppliers may stop using our platform; (b) In the event our competitors expand their product offerings, Suppliers and Buyers may choose to use their platforms instead. Our customers may also choose not to list on external platforms and instead, rely on their own online platforms and change their sales and marketing models through technology and infrastructure investments, in which case our business and results of operations may be adversely affected.
- Risk in relation to valuation not being comparable to listed peers:** We do not have any exact comparable listed peers in India or abroad. Accordingly, valuation of our Company as compared with other listed Indian companies operating in the travel industry, global companies operating in travel industry and other online platforms listed in India, may not be comparable and could be higher on account of certain aspects.
- International market risk:** We derive a significant portion of GTV and revenue from operations from a limited number of markets outside India and any adverse developments in such markets could adversely affect our business and results of operations.
- Risk related to online payment methods:** We are subject to risks related to online payment methods which may affect our business, brand, results of operations and financial condition. There have been instances in the past where chargeback has been raised in relation to credit card transactions and we incurred charges amounting to ₹0.89 million, ₹76.43 million, ₹13.89 million, ₹12.88 million and ₹13.26 million for Fiscal 2021, 2022 and 2023 and the nine months ended December 31, 2022 and December 31, 2023, respectively.
- Risk related to dependence on Material Subsidiary:** We derive a substantial portion of our revenue from operations from our Material Subsidiary, Tek Travels DMCC. Any events that impact the business of our Material Subsidiary, could adversely affect our business and results of operations. In Fiscal 2021, 2022 and 2023 and nine months ended December 31, 2022 and December 31, 2023, it contributed 32.82%, 47.57%, 62.29%, 62.97% and 67.46% of our overall revenue from operations, respectively.
- Objects related risk:** A portion of the Net Proceeds will be utilized towards achieving growth of our platform through marketing and promotional activities which may include incentivizing Buyers, search engine advertising optimisation and marketing on social media platforms, which may not deliver the expected results and may adversely affect our business. Further, our Company intends to utilise ₹ 1,000 million for investing in our Material Subsidiary, Tek Travels DMCC, which is incorporated in Dubai, UAE.

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