



सहायक महाप्रबंधक/ Assistant General Manager

RAC-निर्गम एवं सूचीबद्धता प्रभाग -3/ RAC-Division of Issues and Listing-3

निगम वित्त विभाग/ Corporation Finance Department

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SEBI/HO/CFD/RAC-DIL3/P/OW/2025/13441/1
May 16, 2025

Monarch Network Capital Limited

4th Floor, B Wing, Laxmi Towers,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Kind Attention: Mr. Saahil Kinkhabwala/ Ms. Aayushi Poddar.

महोदय / महोदया,
Dear Sir / Madam,

**विषय/ Subject: Proposed IPO of SRI LOTUS DEVELOPERS AND REALTY LIMITED
(SLDARL/ the Company/ Issuer)**

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू और प्रकटीकरण अपेक्षाएँ) विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and

other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।**

As Book Running Lead Manager (BRLM/LM), you shall ensure that all changes are effected based on the observations/ conditions contained in the Annexure before you file the offer document with the stock Exchange/ ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [पंजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख December 24, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated December 24, 2024 in accordance with SEBI ICDR Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डोक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर भुगतान करना होगा।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the payment may be made by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter.

8. आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 दिवस के भीतर अपना उत्तर प्रस्तुत करें।

You are requested to submit your response within 15 days of the receipt of this letter.

स्थान /Place: मुंबई /Mumbai



Gyanendra Kumar

Annexure I

OBSERVATIONS

1. Please refer to our letters/ emails dated February 03, 2024, February 14, 2025 and April 16, 2025 and response received from Book Running Lead Managers (**BRLM / LM**) through letters and emails dated February 07, 2025, February 18, 2025, and April 22, 2025 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. In the above regard, LM is advised to ensure that the changes made pursuant to our initial as well as subsequent set of clarifications are duly incorporated in the updated Draft Red Herring Prospectus (UDRHP).
3. Wherever the LM has mentioned "Noted for compliance" or "Complied with and noted for compliance" in its replies, LM shall ensure that the same are duly complied with.
4. These observations have been made while referring to a specific chapter or point, however, the LM shall ensure to disclose the same across all pages/chapters where the same/ similar matter occurs in the UDRHP.
5. The LM is advised to ensure that the language used in the UDRHP is lucid, usage of abbreviations is limited, abbreviations to be used in the para, if already quoted in the same page / heading; any expressions, jargons or nomenclatures from other languages or not commonly used, are explained clearly at all relevant places.
6. LM is advised to ensure that the Risk Factors provide adequate explanation of risk, are placed based on materiality and provide cross-reference to the exact page no. of the UDRHP, wherein further information has been disclosed.
7. Wherever the LM has undertaken to modify the risk factors in its replies, the same shall be duly modified and incorporated in the UDRHP.
8. LM is advised to disclose the face value of the shares at all relevant places in the UDRHP.
9. LM is advised to incorporate all the certificates issued by the Chartered Accountants under the section Material Contracts and Documents for Inspection.
10. in case the company is contemplating issuance of Equity Shares through pre-IPO placement:
 - 10.1. LM is advised to confirm and disclose that the Pre-IPO allottees have been appropriately informed that there is no guarantee that the IPO may come through

or listing will happen and the investment is being done solely at the risk of the investor. Such information shall be provided to the investors prior to the allotment of shares.

- 10.2. LM is advised to disclose that the amount of Pre-IPO placement is to be used for the object of the Issue as disclosed in the draft offer document.
- 10.3. The Pre-IPO placement undertaken by the company, if any, to be disclosed as a risk to the investors applying in IPO, and whether the Pre-IPO was at a price higher / lower than the IPO price. Further, such Risk Factor to be included in the price band advertisement.
11. Page 1 – The LM is advised to provide the reason for name change of the issuer company and to bring out if the trade name or business name and style was Lotus Developers.
12. **FORWARD LOOKING STATEMENTS (Page 19):** The LM is advised to ensure that forward looking statements should not contain items which are Risk Factors or should be disclosed as Risk Factors. It may be noted that this section is only to serve as a guidance that forward looking statements may not come true and mixing up risk factors here is not the purpose of this section. The LM is advised to ensure that it is standard across DRHPs.
13. **Outstanding Litigation and Material Developments (Page 23-24):** The LM is advised to ensure that the outstanding litigation also captures the aggregate number of litigations with aggregated claim value irrespective of materiality. Further, in the Risk Factor 42 (Page 60-61) and the “Outstanding Litigation and Material Developments” section should capture the issuer and all its subsidiaries.
14. **SUMMARY OF THE ISSUE DOCUMENT:**
- 14.1. Page 23 – The LM is advised to disclose reasons for sharp increase in PAT from Rs. 162.88 crore in FY 2022-23 to Rs. 1,198.09 crore in FY 2023-24. The LM is further advised to ensure cross referencing elsewhere in the DRHP.
- 14.2. Page 25: item 9 of the top ten risk factors & page 42 risk factor 9: is this an indication that after closure as well more losses are expected - if so to explain what such reasons could be for future losses from a closed line of business
- 14.3. Page 28-29- On perusal of the DRHP, it is observed that the issuer has given loan to its associates, related parties and other entities. In this regard, it may be noted that any part of the IPO proceeds is not to be used for recouping the loans given to the associates, related parties and other entities. The LM is advised to ensure disclosure of the same in the DRHP.

15. RISK FACTORS (RFs):

- 15.1. Risk Factor No. 1 (Page 36-37) – The LM is advised to appropriately use the phrase “High Geographical Concentration” in the title of the risk factor to highlight the risk arising out of narrow size of area where the issuer operates. Further, LM to mention specific macro market conditions in the body of the risk factor.
- 15.2. Risk Factor No. 4 (page 39-40) – The LM is advised to add to the table, info and data on third party contractors and architects related to the promoter group so that the table on cost of construction is self-sufficient in all respects. In case there is no such vendor related to promoter, then to affirm accordingly.
- 15.3. Risk Factor No. 4 (page 39-40) – It is observed that the issuer is highly dependent on third party contractors for the construction and development of its projects including Shree Gajanand Associates contributing 20.61% of cost of total expenses. The LM is advised to appropriately include the name of said contractor with % in the title of this risk factor to indicate dependency on a single contractor.
- 15.4. Risk Factor No. 5 (Page 40) – The LM is advised to add to the table, info and data on third party vendors related to the promoter group so that the table on total construction costs is self-sufficient in all respects. In case there is no such vendor related to promoter, then to affirm accordingly.
- 15.5. Risk Factor No. 5 (Page 40) – The LM is advised to disclose the data pertaining to last 10 years for delay in completion of projects by the issuer and all its subsidiaries. If there are delays in completion of projects by the issuer and its subsidiaries, then same should be disclosed as a separate risk factor.
- 15.6. Risk Factor No. 8 (Page 41-42) – LM is advised to provide details of approvals required for the ongoing and upcoming projects in a tabular form, providing status of approvals taken/ applied/ not-applied etc.
- 15.7. Risk Factor No. 9 (Page 42) & Item 9 of the top ten risk factors (Page 25) – The LM is advised to explain if the disclosure made here is an indication that after closure as well more losses are expected. If it is so, the LM is advised to explain what such reasons could be for future losses from a closed line of business.
- 15.8. Risk Factor No. 12 (Page 43) – The LM is advised to disclose that most of the issue proceeds will be deployed in the subsidiaries. The last paragraph of this Risk Factor states that subsidiaries have no legal obligations to pay dividends and may be restricted from doing so by law or contract. This appears to be a serious problem for public investors. In this regard, the LM is advised to disclose what the issuer

proposes. While the subsidiaries of the issuer company are in its control, and also in agreeing or amending contracts - only if law acts a limit, understandable. The LM is further advised to bring out details of why the constraints and restrictions and mitigation measures being adopted. This RF also needs to be classified in the top ten risk factors. Also, these limitations on distribution of dividends may be separately cross reference to the risk factor 73. The LM may note that this issue is even more crucial to explain and put across in clear terms as Objects of Issue is investing in subsidiaries (Refer pages 117-130).

- 15.9. Need for specific risk factor on MahaRERA – On perusal of the DRHP, it is observed that the issuer is operating only in a given micro market and MahaRERA is the only RERA authority governing its operations. The LM is advised to spell out how it has functioned or actions taken against other developers or how it's safeguarded rights of buyers - all of which or changes in approach to which can impact the issuer.
- 15.10. Risk Factor No. 16 (Page 46) – The LM is advised to explain the nature of the risk in the title itself.
- 15.11. Risk Factor No. 17 (Page 46) – The LM is advised to explain in title the specific risk.
- 15.12. Risk Factor No. 18 (Page 47) – The LM is advised to move this risk factor to Top 10 risk factors and also disclose the reasons for negative cash flows mentioned in the table.
- 15.13. Risk Factor No. 19 (Page 48): The LM is advised to ensure that the table given under this RF also captures the aggregate of the RPTs specified. Further, the RF should also provide details of the property taken on rent + investments made & withdrawn + profits made + loans taken & repaid etc. in a tabular form (focusing on types of RPT and their values) and present a summation of value of such RPTS.
- 15.14. Risk Factor No. 20 (Page 49) - LM is advised to disclose the Rate of interest paid on the loan taken from the promoter(s) in the DRHP. LM is also advised to disclose that no part of the IPO proceeds may be utilized for repayment of the loan taken from the promoters. LM is further advised to bring out if in the past issuer has defaulted in or been delayed in servicing any unsecured borrowings.
- 15.15. Risk Factor No. 21 (Page 49) - LM is advised to ensure that conflict of interest and non-compete agreement, if any, with the promoter/ promoter group/ group companies/ directors/ related entities may be disclosed in the DRHP and if there is no such agreement, possible impact of absence of such agreement on the

business of the issuer company may be brought out. The LM is further advised to bring out what policy has been laid down to deal with conflict of interest by the board and audit committee of the nature identified and measures to monitor and ensure adherence, also for risk factor 28 (page 53), since promoters are licensors of premises of issuer.

- 15.16. Risk Factor No. 22 (Page 50) –The LM is advised to disclose the past instances, if any, where the third party contractors or agencies have defaulted in or been delayed in performance of their activities and adverse impact on issuer's commitments and experience of claims in such event. The LM is further advised to bring out the risk of contract labour claiming employment benefits or issuer facing liability on account of contractor not performing its obligations towards people deployed for the issuer.
- 15.17. Risk Factor No. 23 (Page 50) – LM is advised to include Bad debts written off and disputed trade receivables in the table.
- 15.18. Risk Factor No. 26 (Page 52) – LM is advised to include this risk factor in top 5 risk factors.
- 15.19. Risk Factor No. 27 (Page 52)- LM is advised to include this risk factor in top 15 risk factors.
- 15.20. Risk Factor No. 32 (Page 55) - LM is advised to include this risk factor in top 20 risk factors. High employee attrition rate may be mentioned in the heading of the risk factors also as deemed appropriate.
- 15.21. Risk Factor No.s 34 and 35 (Page 56) – The LM is advised to include these risk factors in top 20 risk factors.
- 15.22. Risk Factor No. 37 (Page 57) – The LM is advised to mention the nature of risk in the title itself.
- 15.23. Risk Factor No. 42 (Page 60) – It is observed that the title of the risk factor mentions that there are outstanding legal proceedings against the company, promoters and some of its directors, however, the table is having nil information for outstanding legal proceedings against company, promoter and directors. Further, in the table outstanding legal proceedings are shown against subsidiaries, however, in the title the word “subsidiaries” is not mentioned. The LM is advised to review the title.
- 15.24. Risk Factor No. 43 (Page 61) - The LM is advised to move this risk factor to Top 15 risk factors and provide a separate table for the three subsidiaries in which issue

proceeds shall be deployed. The LM is further advised to provide a summation or aggregation at the bottom of the table given under the RF across the subsidiaries and step down subsidiaries.

- 15.25. Risk Factor No. (Page 62) – The LM is advised to move this risk factor to Top 15 risk factors.
- 15.26. Risk Factor No. 50 (Page 64) – The LM is advised that measures taken by the issuer company with respect to data security and cyber security including any backup plan, if any, may be disclosed in the DRHP.
- 15.27. Risk Factor No. 52 (Page 65) – The LM is advised to bring out any internal control failures or corruption investigations involving the issuer or its employees.
- 15.28. Risk Factor No. 53 (Page 66) – The LM is advised that w.r.t. the statement that the investors may not be able to seek legal recourse, it may be clearly stated that this statement is only applicable to those parts of the DRHP where the Anarock Report has been specifically mentioned as a source for the information which has been relied upon by the investor.
- 15.29. RF 54 (Page 66) – The LM is advised to specify the nature of Non-GAAP measures.
- 15.30. Risk Factor No. 65 (Page 69) – If the issuer has any contacts with arbitration (or other alternative dispute resolution mechanisms) as a means of dispute resolution, then the LM is advised to bring out the legal regime for enforcement of awards (as otherwise done for enforcement of judgments in this RF).
- 15.31. Risk Factor No. 70 (Page 71) – It would be more appropriate to use "different from" in the title instead of "more limited than" (as stated in the first sentence in the para below. The LM is advised to revise the title of the RF accordingly. Further, the LM is advised to redo the second and third sentence on similar lines unless can do a comparative researched tabular presentation of how Indian Laws lack what laws of other countries have.
- 15.32. Risk Factor No. 79 (Page 73) – In respect of the said RF, it may not be appropriate to state that as a consequence of the Takeover Regulations of SEBI, even if a potential takeover of the issuer company would result in purchase of the equity shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated. The LM may consider either removing this statement or redrafting it suitably by citing the provisions or facts to support the same.

16. GENERAL INFORMATION:

- 16.1. Page 84: The LM is advised to confirm if the addresses for the directors are accurate and reflect their place of residence. The address for company secretary and compliance officer appears to be same address except with floors mentioned and placement of 1 varying from that of the Chairman and MD, whole-time director and non-executive non-independent director. The LM is advised to check the address of company secretary and compliance officer and update the same to reflect correct and complete address that's consistent.
- 16.2. Page 87: The LM is advised to add the name of signing partner for the Law firms as also contact person and email ID / website and telephone number.
- 16.3. Page 90: The LM is advised to specify the name of monitoring agency in the DRHP.

17. CAPITAL STRUCTURE:

Page 108 – On perusal of the DRHP it is observed that the Issuer company has a total of 160 shareholders as on date. The LM is advised to ensure that the Issuer complies with the relevant provisions of the Companies Act, 2013 till the time of listing of the equity shares being issued through the IPO on the stock exchanges. LM to clearly disclosed the same.

18. OBJECTS OF THE ISSUE:

- 18.1. LM is advised to provide the status of all the Government/ regulatory approvals that are required for the completion of the framework agreement/ project. LM is also advised to provide the updated factual status of completion of project, in the table, as on date, in the UDRHP.
- 18.2. Page No. 121 and 124 — The LM is advised to confirm if the entity OM Sai Transport is in construction related business and suitably disclose the same.
- 18.3. Page 130 — The LM is advised to appropriately disclose that the proceeds from IPO shall not be used to repay loans taken by issuer or its subsidiaries from the promoters/ directors or any other related parties.

19. BASIS OF ISSUE PRICE:

- 19.1. Page 140: On perusal of the information given in the table, it appears that the table is making it difficult to compare across peers. The LM is advised to rearrange the rows and columns or break up for last three fiscals and for the broken period. The

LM is further advised to make similar changes for KPI comparison at pages 193-196.

19.2. It is noted that at various places in the table, NA has been mentioned. The LM is advised to ensure that proper footnote is provided for the same.

20. **INDUSTRY OVERVIEW:**

20.1. Page 157: In industry overview and specially Consolidation of Real Estate sector due to regulatory changes - mention of SEBI REIT Regulations with both REITs and SM REITs framework which have been enabled and many are operational, seem to be completely absent. The LM is advised to appropriately add the same in the DRHP.

21. **OUR BUSINESS:**

Page 197- The LM is advised to disclose from which agency and when did the promoter Anand Kamalnayan Pandit received the Builder Ratna Award.

22. **KEY REGULATIONS AND POLICIES:**

Page 219-226: The LM is advised to add a section on securities law applicability from time of commencement of issue process. The LM is further advised to add summary of the securities law which will apply on becoming an equity listed company.

23. **OUR SUBSIDIARIES:**

Page 234-243: The LM is advised to disclose reasons for having 12 subsidiaries with all of them having the same registered office address. For those subsidiaries which are not wholly owned and have other minority investors, the LM is advised to briefly describe, in the relevant subsidiary section, such minority investors and whether any special rights and/or obligations have been agreed, and if so, to specify the same.

24. **OUR MANAGEMENT:**

24.1. Page 244: The LM is advised to specify for board members which companies are listed and unlisted, which are non-profits and of a foreign company, state the country of incorporation. The LM is further advised to specify the correct residential address for the whole time directors.

24.2. Page 249: It is observed that the issuer is not giving any remuneration to the Chairman and MD and providing full reimbursements of all expenses. Similar

arrangement is observed for the whole time director on reimbursements and appears to be without limits. In this regard the company may have some cap else public shareholders will have no ability to ascertain how much is being reimbursed. The LM is advised to disclose past track record of reimbursements done to the said entities.

25. FINANCIAL INFORMATION:

- 25.1. Page 276-279 — The LM is advised to include the statement on audit qualifications for previous years, if any.
- 25.2. Page 310: The LM is advised to disclose w.r.t. debt instruments duly maturing prior to issue being undertaken (5.35% debentures maturing November 2024) whether these have been repaid in time.
- 25.3. Page 310 — On perusal of the DRHP, it is observed that in respect of Project Amalfi for which a part of the IPO proceeds is being utilized, the present and future receivables from the said project have been mentioned as a security for the 6.50% non-convertible debentures issued by the issuer company. The LM is advised that implication of the same may be suitably disclosed as a risk factor, as deemed appropriate, were the issuer company to default on these debentures.
- 25.4. Page 310: The LM is advised to disclose what is the preferential rate that's committed w.r.t. item (d).
- 25.5. Page 310: The LM is advised to specify w.r.t. item (e) dealing with preference shares of an entity which amalgamated with the issuer, as to when it was issued and allotted. The LM is further advised to add maturity date and disclose what is the preferential rate that's committed.
- 25.6. page 310: The LM is advised to specify w.r.t. item (f) details of the body corporate and the terms or when the Loan was obtained.
- 25.7. Page 310: It is observed that the liabilities are showing borrowing costs ranging from 5.35% (debentures) to 11.75% (bank loan) to 15% (loan from unnamed body corporate). It is further observed that no details of the preferential rate on the preference shares has been disclosed. This merits a full explanation of what's going on.
- 25.8. Page 317: The LM is advised to provide details of the charitable trust mentioned as recipients of CSR contributions and disclose if promoters are involved in governance or management of such trusts. It is observed that the issuer company is yet to spend any amount towards fulfillment of its Corporate Social Responsibility

(CSR) obligations in the current year as on September 30, 2024. This may also be suitably disclosed in the DRHP.

- 25.9. Page 324: On perusal of the DRHP, it appears that some words are seeming to be cutoff and not visible. The LM is advised to verify and update the same.
- 25.10. Page 331: The LM is advised to specify which director is the interested director in terms of item (i)(c).
- 25.11. Page 335-354- The LM is advised to disclose reasons for the substantial amounts of unsecured loan given and outstanding in respect of many of the subsidiaries and associates and impact of the same on the financial position of the issuer company, if any.
- 25.12. Page 392-393 – The LM is advised to ensure that the reasons for the substantial jump in financial figures from fiscal 2023 to fiscal 2024 may be elaborately explained.
- 25.13. Page 405 - In respect of the table showing unsecured indebtedness, the LM is advised to disclose if lender is a related party or a promoter group entity or a sister concern.

26. LEGAL AND OTHER INFORMATION:

- 26.1. Page 421 – In respect of the table with group companies identified as per materiality policy, the LM is advised to add a column and bring out specifically how was a company considered to be a group company. Further, in the table, while certain addresses appear to be of the same location, address is stated differently (kindly see Riddhi Projects & True Vritika or Kamal Value & Shivshrushti Real). IN this regard, the LM is advised to check for all entities and addresses and make uniform presentation.
- 26.2. Page 422: In respect of details of group companies, the LM is advised to have specific website URL (as currently on landing page nothing visible) along with a QR code, scanning of which should lead to that URL

27. ISSUE RELATED INFORMATION:

Page 464 - Point No. 19 – It may be noted that all investors including RIBS may submit a bid for equity shares up to a value of Rs. 5 lakh. In view of the same, the statement given at Point No. 19 may either be omitted or suitably redrafted.

28. As per disclosures given in the DRHP, it is noted that the three subsidiaries of the issuer have entered into agreement with various societies for undertaking redevelopment projects. The LM is advised to disclose if the said agreements are registered or not.
29. The LM is advised to confirm whether any complaint has been received by the issuer or its subsidiaries post filing of DRHP. If yes, the same may be disclosed in the DRHP.
30. The LM is advised to ensure that documents pertaining to amalgamation of Tryksha Projects Private Limited, Veer Savarkar Projects Private Limited, Zinnia Projects Private Limited, Sri Lotus Developers and Realty Holdings Private Limited with issuer companies, are covered under material contracts and documents for inspection.
31. It is observed that the DRHP suffers from apparent errors pertaining to matters like incorrect year mentioned e.g. pages 21, 46, 120, 221, measure of land area not mentioned, e.g. pages 120, 126. In this regard the LM is advised to remove all such errors and ensure correct disclosures in the UDRHP.
32. LM is advised to confirm and disclose that the AoA does not confer special rights to any person in any manner.
33. At 'Industry overview': Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires that the LM shall exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document. In view of the same, LM is advised to ensure that:
- 33.1. The draft offer document and the offer document, shall not contain any information where no responsibility is taken by the LMs or the issuer company/ Expert.
- 33.2. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
- 33.3. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
34. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

35. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
36. With respect to all the complaints received by LM / company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.
37. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate Risk Factors in this regard.
38. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

- i. *The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."*
- ii. *Any adverse data in the basis for issue price should be disclosed. For example:*
 - *"The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*
[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]
 - *"Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*
 - *"Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%. "*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.



39. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.

Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

9. ASBA:

9.1. LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.

9.2. LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

a. The following may appear just below the price information of the issue as shown below:

"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA .

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue. No cheque will be accepted



now available in ASBA for retail individual investors.

** ASBA is a better way of applying to issues by simply blocking the fund in the bank account.*

For further details check section on ASBA below."

- b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*
