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| Monarch Network Capital Limited 4th Floor, B Wing, Laxmi Towers, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Telephone Number: +91 22 66476400 E-mail: ecm@mncgroup.com Investor Grievance E-mail: mbd@mncgroup.com Website: www.mncgroup.com Contact Person: Saahil Kinkhabwala/Aayushi Poddar SEBI Registration No.: INM000011013 | Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel, ST Depot, Prabhadevi, Mumbai, 400 025 Maharashtra, India Telephone: +91 22 7193 4380 E-mail: lotus.ipo@motilaloswal.com Grievance ID: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact person: Sankita Ajinkya SEBI Registration No.: INM000011005 |

Annexure III

December 24, 2024

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot C4-A, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Dear Ma'dam/ Sir,

Re: Initial Public Offering of equity shares of face value of ₹ 1 each (“Equity Shares”) by Sri Lotus Developers and Realty Limited (the “Company”) comprising of a fresh issue of Equity Shares (“Issue”)

We, Monarch Network Capital Limited and Motilal Oswal Investment Advisors Limited, (together, the “**Book Running Lead Managers**” or the “**BRLMs**”), who have been appointed by the Company to manage the Issue, confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes, trademark disputes, patent disputes, labour disputes, disputes with collaborators etc., and other material, as applicable, while finalising the draft red herring prospectus dated December 24, 2024 (“**DRHP**”) pertaining to the Issue. **Complied with to the extent applicable**
2. On the basis of such examination and discussions with the Company, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Issue, price justification, contents of the documents and other papers furnished by the Company, we confirm that:
 - (A) the DRHP filed with the Securities and Exchange Board of India (“**SEBI**”) is in conformity with the documents, materials and papers which are material to the Issue;
 - (B) all material legal requirements relating to the Issue as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (C) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended (“**Companies Act, 2013**”) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) and other applicable legal requirements.
3. Besides ourselves, all the intermediaries named in the DRHP are registered with SEBI and that till date such registration is valid. – **Complied with and noted for compliance. The registration of intermediaries registered with the SEBI are valid as on the date of the DRHP.**

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4. We have satisfied ourselves about the capability of the Underwriters to fulfil their underwriting commitments. – **Noted for compliance**
5. Written consent from the Promoters has been obtained for inclusion of their Equity Shares as part of the promoters’ contribution subject to lock-in and the Equity Shares proposed to form part of the promoter’s contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing of the DRHP with the SEBI till the date of commencement of lock-in period as stated in the DRHP.– **Complied with and noted for compliance**
6. All applicable provisions of the SEBI ICDR Regulations, which relates to Equity Shares ineligible for computation of promoters’ contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance**
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoter’s contribution prior to opening of the Issue, shall be complied with. Arrangements have been made to ensure that promoters’ contribution shall be received at least one day before the opening of the Issue and that the auditors’ certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that promoters’ contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the company along with the proceeds of the Issue. – **Not Applicable**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Issue are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from the Stock Exchanges, and that the agreement entered into between the Bankers to the Issue and the Company specifically contains this condition. **Noted for compliance**
9. The existing business as well as any new business of the Company for which the funds are being raised fall within the ‘main objects’ in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with to the extent applicable**
10. Following disclosures have been made in the DRHP:
 - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares – **Complied with to the extent applicable and noted for compliance. The Company has not issued any SR equity shares**
 - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with to the extent applicable and noted for compliance**
11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance**
12. If applicable, the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not Applicable**

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We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the period disclosed in the offer document have been entered into by the Company in accordance with applicable laws – Refer to **Annexure IIIA**.

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any – Refer to **Annexure IIIB**.

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

Yours sincerely,

Enclosed: As above.

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This signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Sri Lotus Developers and Realty Limited.

For Monarch Networth Capital Limited

The image shows a handwritten signature in blue ink that reads "Saahil Kinkhabwala". To the right of the signature is a circular purple stamp. The text inside the stamp, arranged in a circle, reads "MONARCH NETWORTH Capital Limited".

Authorized Signatory

Name: Saahil Kinkhabwala

Designation: Director – Investment Banking

Contact Number: 9821969694

Email: saahil.kinkhabwala@mnclgroup.com

This signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Sri Lotus Developers and Realty Limited.

For Motilal Oswal Investment Advisors Limited

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "Motilal Oswal Investment Advisors Limited" around the perimeter, "Mumbai" in the center, and a small star at the bottom.

Authorized Signatory

Name: Subodh Mallya

Designation: Executive Director- Investment Banking

Contact Number: 91+ 9004672258

Email: subodh.mallya@motilaloswal.com

Annexure III-A

Note explaining how the process of due diligence has been exercised

In connection with the draft red herring prospectus dated December 24, 2024 (“**DRHP**”), we, the BRLMs, have carried out a due diligence exercise on the Company in relation to the current business of the Company and its background, for the purposes of complying with the requirements of 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 for initial public offerings of this nature in India, along with other professionals and experts engaged in this Issue.

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

The due diligence process carried out by us and the Legal Counsels (*as defined hereinafter*) commenced with attending the kick-off meeting and physical and verbal interactions with the representatives of the Promoters, Directors, Key Managerial Personnel and other members of the Senior Management of the Company to gain an understanding, amongst other matters, of the business of the Company, key risks involved and financial overview of the Company, amongst other matters. In this regard, the Company was provided with a due diligence questionnaire and information requisition lists prepared in consultation with the Legal Counsels (*defined below*). In response to the questionnaires and the information requisition lists, the Company provided us with supporting documents for review and diligence and gave us clarifications and explanations for our queries. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

In connection with the Issue, M/s Crawford Bayley & Co., Advocates & Solicitors, has been appointed as legal counsel to the Company and Dentons Link Legal has been appointed as legal counsel to the BRLMs (collectively, “**Legal Counsels**”). The Legal Counsels have assisted us in carrying out the due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws and advising the Company and the BRLMs, in relation to the Issue, including for the purpose of issuing legal opinions in relation to the Issue to the BRLMs, as applicable.

The BRLMs were also assisted by the statutory auditors of the Company, namely T. P. Ostwal & Associates LLP, Chartered Accountants (“**Statutory Auditors**”), for carrying out financial due diligence and have reviewed matters including the computation of Company’s net worth, operating profit/loss, net tangible assets and provided (i) an examination report dated December 18, 2024 in relation to the Restated Consolidated Financial Information; and (ii) a report dated December 24, 2024 on the statement of possible special tax benefits available to the Company, Material Subsidiaries and its Shareholders. The Statutory Auditors have verified and provided certifications with respect to certain financial information included in the DRHP, including without limitation, key performance indicators, financial information about the Company, certain operational information of the Company included in the DRHP, including without limitation, operational key performance indicators, non-payment of statutory dues by the Company and basis of offer price etc. The Statutory Auditors has also confirmed to us that all related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws, on an arm’s length basis. As on the date of the DRHP, the Statutory Auditors hold valid peer review certificate. The Statutory Auditors has consented to be named as experts, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

Additionally, Manish Ghia & Associates, independent practicing company secretaries (“**Practicing CS**”), have issued a certificate with respect to (i) the issuances and allotments by the Company since inception till the date of this certificate and the same have been in compliance with Companies Act, 2013, including Section 25 and Section 42 of the Companies Act, 2013, as applicable; (ii) there have been no instances of issuance of equity shares in the past by the Company and its subsidiary to more than 49 persons / 200 persons, as applicable; (iii) the shareholders of the Company have not exceeded the limit of 200 in any of the financial years since inception. The details of number of shareholders since the date of inception; and (iv) the details of secondary transactions of Equity Shares by the Promoters and members of the Promoter Group. As on the date of the DRHP, the Practicing CS holds valid peer review certificate. The Practicing CS have consented to be named as experts, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

Further, we have obtained and relied on certification provided by from the independent proprietary firm, namely, Uttam Randive (registration number: CA/2001/28111), (“**Independent Architect**”) for the diligence related to the real estate developed by the Company, its Subsidiaries, Anand Kamalnayan Pandit (Promoter of the Company) through entities separate from the Company, the covered area and utilisation thereof and certain other technical and operational data included in the DRHP. The Independent Architect has consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP, and such consent has not been withdrawn as at the date of filing the DRHP.

Further, we have obtained and relied on certification provided by Ronak Jain, Chartered Engineer, (registration number: AM3096567) and a part of M/s. Struct Bombay Consultants (“**Chartered Engineer**”), regarding details of project cost regarding ongoing projects i.e. Amalfi, The Arcadian and Varun. The Chartered Engineer has consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP, and such consent has not been withdrawn as at the date of filing the DRHP

The Company has also placed reliance on the industry report titled “*Real Estate Industry Report*” dated December 20, 2024, exclusively commissioned and paid for by the Company and issued by Anarock Property Consultants Private Limited (“**Anarock**” and such report, the “**Anarock Report**”), for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent from Anarock dated December 20, 2024 to include extracts of the Anarock Report in the DRHP.

1. **Business and Commercial Diligence**

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

- (a) Organizing and attending physical and virtual kick-off discussion with the Company to develop an understanding of the business, industry overview, history, the regulatory environment, and other matters of the Company. A broad overview of the business of the Company, the industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, financial statements, its shareholding pattern were presented to us, followed by detailed interactive discussions;
- (b) Regularly interacting with the management of the Company, including the Directors, Key Managerial Personnel, Senior Management from the business, secretarial, legal and finance departments such as the Company Secretary and Compliance Officer and the Chief Financial Officer, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. The Statutory Auditors had also participated in some of these discussions. These interactions included (i) drafting sessions and conference calls to discuss the disclosures in the DRHP; (ii) due diligence calls and seeking appropriate clarification with the Statutory Auditors; (iii) due diligence calls with Anarock; (iv) due diligence calls to receive updated information from the Company before filing the DRHP; (v) seeking appropriate certifications from and in relation to the Company, its Directors, Promoters, Promoter Group, Key Managerial Personnel and the Senior Management. These interactions were conducted with the 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. The BRLMs shall undertake these interactions and due diligence calls until the allotment of Equity Shares in 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*”, on pages 197 and 36 respectively, in the DRHP. We expect these interactions and due diligence calls to continue until completion of the Issue;

Visiting Company’s real estate project sites in Mumbai and its Registered and Corporate Office for our due diligence in order to understand the Company’s day-to-day operations and key business processes and review the Company’s operations, discussions with the Company’s representatives to understand the nature of the real estate activity and interacting with the Key Management Personnel and Senior Management of the Company to understand its day to day operations, key business processes and to verify the disclosures being made in the DRHP;

- (c) Requesting the Company to make available the due diligence documents and reviewing those documents along with the Legal Counsels, based on the disclosure requirements under the SEBI ICDR Regulations, SEBI directives and other applicable laws, and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions;

- (d) Obtaining and relying on certificates, formal representation and undertakings from and in relation to the Company, Directors, Promoters, Promoter Group, Subsidiaries, Group Companies, Key Managerial Personnel, Senior Management, the Statutory Auditors, Practicing CS and Independent Architect, in support of certain disclosures included in the DRHP;
- (e) Interacting with the industry consultant, Anarock and assisting the Company in obtaining the Anarock Report, exclusively commissioned and paid for by the Company in connection with the Issue for the purposes of confirming the Company's understanding of the industry in which it operates. Further, necessary consent was obtained from Anarock to disclose the contents of the Anarock Report in the DRHP;
- (f) Obtaining circle-ups and certificates, as applicable, from the Statutory Auditors in accordance with the SEBI ICDR Regulations on key performance indicators, operational data and financial related information included in the DRHP;
- (g) Reviewing, together with the Legal Counsels, material agreements executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.
- (h) Obtaining and relying on formal representations and undertakings from the Company in the Issue Agreement.

2. *Diligence on business related items*

The Book Running Lead Managers and the Legal Counsels have reviewed documents, including among others, arrangements and contracts entered into by the Company and its Subsidiaries title deeds of all properties leased or owned by the Company for its business operations, insurance, trademark applications applied for and received by the Company and the contracts signed with the employees of the Company on a daily basis.

3. *Key Performance Indicators*

Suitable disclosures have been made in line with the SEBI ICDR Regulations in relation to key performance indicators of the Company in the section titled "*Basis for Issue Price*" and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated December 24, 2024. The Company shall continue to disclose such key performance indicators, on a periodic basis, at least once in a year (or for any lesser period as determined by the Company), for a duration of one year after the date of listing of the Equity Shares, in accordance with the SEBI ICDR Regulations. Such key performance indicators disclosed by the Company shall continue to be certified in accordance with the SEBI ICDR Regulations. The certificate dated December 24, 2024, issued by the Statutory Auditors, in relation to the financial KPIs and the certificate dated December 24, 2024 in relation to the operational KPIs is included in the section "*Material Contracts and Documents for Inspection*" on page 515 of the DRHP and will be available for public inspection from the date of filing of the RHP with the RoC until the Bid/Issue Closing Date.

4. *Financial Information of the Company and Group Companies and Financial Indebtedness*

Due diligence was conducted on financial matters, which included virtual meetings and due diligence calls with the Statutory Auditors and discussions with the finance department of the Company. The restated consolidated financial statement of the Company and its Subsidiaries (collectively the "**Group**") which comprises of the restated consolidated statement of assets and liabilities as at six months period ended September 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows for the six months period ended September 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the restated consolidated statement of changes in equity for six months ended September 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of material accounting policies and other explanatory notes to the restated consolidated financial information of the Group, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read

with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “**Ind AS**”). The restated consolidated financial statement has restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI (“**Restated Consolidated Financial Statement**”).

In compliance with the requirements of Paragraph 11(I)(A)(ii) of Schedule VI of the SEBI ICDR Regulations, the Company has uploaded the audited standalone financial statements for Fiscal Years 2024, 2023 and 2022 (“**Audited Financial Statements**”) on the website at <https://www.lotusdevelopers.com>.

Further, the Statutory Auditors was required to review the financial information relating to the Company in the DRHP and has delivered a customary comfort letter and circle-ups to the BRLMs. Such comfort letter will be issued and/or brought down at certain future dates as the Issue progresses, by the Statutory Auditors, including on the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Issue.

Reliance was also placed on the statement of possible special tax benefits available to the Company, its Material Subsidiaries and its Shareholders, issued by the Statutory Auditors and included in the DRHP. Additionally, reliance was also placed on *inter alia* the certificate issued by the Statutory Auditors on the: (i) computation of the Company’s net worth, operating profit/loss and net tangible assets, each based on financial information for Fiscals 2024, 2023 and 2022, to assess eligibility of the Company to undertake the Issue under Regulation 6(1) of the SEBI ICDR Regulations.

Additionally, certain financial information derived from the audited financial statements of the Group Companies Aishwarya Property and Estates Private Limited, Yureka Beauty Private Limited, Kamal Value Realty (India) Private Limited, Bluepearl Homes Private Limited and Ralco Projects Private Limited for the previous three Fiscals, as required by the SEBI ICDR Regulations, is available on the website of the Company at www.lotusdevelopers.com.

For the purposes of the DRHP, we, along with the Legal Counsels, have conducted a due diligence exercise of all outstanding financial indebtedness of the Company, and such information has been disclosed in a summarised form in the DRHP. We have relied on a certification from the Statutory Auditor in connection with the Company’s financial indebtedness, ascertaining the amount of outstanding borrowings of the Company as of December 19, 2024, which is disclosed in the section titled ‘*Financial Indebtedness*’ of the DRHP.

5. Outstanding Litigation Proceedings and Material Creditors

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

The Company has disclosed the following outstanding litigation involving the Company, its Subsidiaries, its Promoters and its Directors, as applicable, in accordance with the requirements under SEBI ICDR Regulations: outstanding (i) criminal proceedings including matters which are at first information report stage, where no/ some cognizance has been taken by any court, involving the Company, its Subsidiaries, its Directors or Promoters; (ii) actions by any regulatory authorities and statutory authorities (including any notices by such authorities) and any findings/observations of any of the inspections by SEBI or any other regulatory authority and all penalties and show cause against the Company, its Subsidiaries, its Directors or Promoters; (iii) outstanding claims related to direct and indirect taxes, giving the number of cases and total amount. Provided that if the amount involved in any such claims exceeds the materiality threshold, such matter(s) have been disclosed on an individual basis; and (iv) other pending litigations (including civil litigation or arbitration proceedings) involving the Company, Directors, Promoters or Subsidiaries (other than proceedings covered under (i) to (iii) above) as determined to be material by our Board pursuant to the policy on materiality (“**Materiality Policy**”) approved by the Board of Directors, in each case involving the Company, Subsidiaries,

Promoters and Directors (“**Relevant Parties**”). 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.

In terms of the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material where:

- a. Monetary threshold: pending civil cases involving the Relevant Parties which involves an amount of more than ₹ 24.67 million, being 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information of the Company for the last three Fiscals, as per the Restated Consolidated Financial Information shall be considered material and included in this Draft Red Herring Prospectus;
- b. Subjective threshold: under this test, such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company’s business, prospects, performance, operations, financial position, reputation or cash flows or the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the threshold, even though the amount involved in an individual proceeding does not exceed the threshold, would be considered as material for the Company.
- c. Additional threshold: there are any findings or observations arising out of any of the inspections by the Securities and Exchange Board of India or by any other regulator in or outside India, which are outstanding.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial, taxation authorities, first information reports (“**FIRs**”) (including FIRs where no cognizance has been taken by court), police complaints or notices threatening criminal action) shall, has not be considered as litigation and evaluated for materiality, until such time that Relevant Parties or group companies are impleaded as defendants in litigation proceedings before any judicial/arbitral forum or unless decided otherwise by the Board of Directors of the Company.

Further, the Board in its meeting held on December 18, 2024, has approved thresholds for materiality for identification of material outstanding dues to creditors (“**Materiality Thresholds**”) In terms of the Materiality Thresholds, outstanding dues to any creditor of the Company having a monetary value which exceeds 5% of the total consolidated trade payables of the Company as on September 30, 2024, have been considered as ‘material’. Accordingly, as of September 30, 2024, any outstanding dues exceeding ₹ 2.29 million have been considered as material outstanding dues. As on September 30, 2024, the Company has 6 Material Creditors.

The Company provided supporting documents / certifications for material civil cases, all outstanding criminal proceedings and actions by statutory / regulatory authorities involving the Company.

In accordance with the SEBI ICDR Regulations, in respect of litigation involving Group Companies, the Company is required to disclose only such pending litigation that can have a material impact on the Company. In this regard, the Company and the Group Companies through their certificates addressed to the Company and the Book Running Lead Managers, has confirmed that there is no outstanding litigation involving the Group Companies that could have a material impact on the Company.

For disclosures relating to litigation involving the Directors and Promoters, the Company has provided certifications received from such relevant parties.

The Company provided a list of outstanding litigations involving the Company and its Subsidiaries and supporting documents for material proceedings involving the Company and its Subsidiaries. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company and its Subsidiaries. In relation to the litigation involving the Promoters and Directors, relevant certificates have been received, solely based on which appropriate

disclosures, wherever applicable, in relation to litigation proceedings involving them have been included in the DRHP. Further, we have had discussions with the management of the Company on the status of pending cases involving the Company. With respect to taxation proceedings involving the Company and its Subsidiaries, reliance has been placed on a list provided by the Company and its Subsidiaries and the certificate dated December 24, 2024 issued by the Statutory Auditors in this regard.

6. Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management, Subsidiaries and Group Companies

For the purposes of making certain disclosures with respect to the Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management, in the DRHP, supporting documents, consents and certifications, as applicable, from the relevant entities/ persons have been obtained. We also interacted with the relevant parties, along with the Legal Counsels, to assist them to understand the requirements of law and disclosures required in terms of SEBI ICDR Regulations.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management of the Company, reliance was placed on relevant transcripts, degree certificates, experience certificates and appointment letters issued by previous and current employers and other back-up documents in addition to certification received from the relevant Promoter, Directors, Key Managerial Personnel and Senior Management. We have also carried out public domain search including on the websites of CIBIL and watchout investors for Company, its Promoters, Promoter Group entities and Directors and have obtained written confirmations from relevant parties, where required.

Furthermore, the confirmations have been provided by and in relation to Company, Promoters, Promoter Group and Directors stating that they are not debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. In addition, confirmations have been received from the Company, its Promoters and Directors that they are not wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, confirmations have been taken from the Directors that (a) they are not directors on the board of other listed companies whose shares have been / were suspended from being traded on any stock exchange during the period of five years before the date of the DRHP during his/her tenure; and (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange while they were directors of such companies. Additionally, confirmations have been received from the Directors that they have not been declared as Fugitive Economic Offenders. Confirmations have also been provided by and in relation to the Company, Promoters, Promoter Group and Selling Shareholders, as applicable, in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable to such party, as on the date of the DRHP.

The term “group companies” under the SEBI ICDR Regulations includes companies (other than the promoters and any subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the Board of Directors of the Company (the “**Board**”). The Board has through a resolution dated December 18, 2024, adopted a materiality policy for identification of group companies. Based on the aforesaid materiality policy, the Company, as on the date of the DRHP, has 18 group companies, out of which top 5 companies are namely, Aishwarya Property and Estates Private Limited, Yureka Beauty Private Limited, Kamal Value Realty (India) Private Limited, Bluepearl Homes Private Limited and Ralco Projects Private Limited.

7. Statutory and/or Regulatory and Other Diligence

In connection with diligence of matters relating to statutory and/or regulatory matters, a review was conducted of the relevant statutory and/or regulatory records of the Company, *inter alia*, including, among other things, relevant corporate records, the various approvals and registrations applied for and/or received by the Company in relation to its business, filings made by the Company with various statutory and/or regulatory authorities.

We have relied on the list of material licenses, approvals and registrations of the Company and such material licenses, approvals and registrations, copies of which were provided by the Company, were

reviewed. We have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company to carry out its business. The description of the material approvals required for the business operations, and disclosure of such material approvals in respect of which applications have been made has been disclosed in the DRHP.

Further, the number of registrations and applications submitted by the Company with respect to intellectual property have been disclosed in the DRHP.

In relation to the build-up of the existing share capital of the Company, the statutory forms and resolutions filed with the RoC and statutory registers prepared and maintained by the Company have been reviewed.

We have also relied on representations and certifications provided by the Company, in connection with such statutory and regulatory matters. In particular, we have relied on the list provided by the Company of material approvals required by it for carrying on its business and operations. The Legal Counsels have regularly interacted with the officials of the Company to understand the various approvals that are necessary by the Company to carry out its business. This was followed by a due diligence exercise carried out by the Book Running Lead Managers and Legal Counsels on certain material approvals required by the Company for its operations and business. The list of material approvals required for the Company to carry out its operations and material pending approvals and registrations, if any in relation to its business are disclosed in the DRHP. We have relied on the certificates provided by the Independent Architect for material approvals related to the Completed Projects, Ongoing Projects, Upcoming Projects and Land Reserves of the Company.

8. *Industry Information*

The Company has relied on industry and market data derived from the Anarock Report, which has been exclusively commissioned and paid for by the Company for the purposes of confirming its understanding of the industry in connection with the Issue. The information contained in certain sections of the DRHP, including “*Issue Document Summary*”, “*Risk Factors*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, have been included from the Anarock Report. The Anarock Report will be available on the website of the Company at <https://www. www.lotusdevelopers.com> and has been included as one of the documents that will be available as a material document for inspection by public from the date of filing of the Red Herring Prospectus until the Bid/ Issue Closing Date. Further, we have held due diligence calls with Anarock in relation to certain diligence questions in relation to the contents of the Anarock Report.

9. *Objects of the Issue*

The objects of the Issue are to:

- a) Investment in our Subsidiaries, Richfeel Real Estate Private Limited, Dhyan Projects Private Limited and Tryksha Real Estate Private Limited for part-funding development and construction cost of our Ongoing Projects, Amalfi, The Arcadian and Varun, respectively;
- b) General corporate purposes.

The total estimate for the project is ₹ 8,186.63 million, the cost has been certified by Ronak Jain, an independent chartered engineer by way of their certificates dated December 23, 2024. Adequate disclosures in accordance with the SEBI ICDR Regulations have been included for each of the above-mentioned objects of the Fresh Issue. For details, please refer to the “*Objects of the Issue*” section of the DRHP.

10. *Price information of past issues handled by the BRLMs*

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.

Annexure III-B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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