

T. P. Ostwal & Associates LLP

CHARTERED ACCOUNTANTS

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Independent Auditor's Certificate - Statement of Special Tax Benefits

To,

The Board of Directors

Sri Lotus Developers and Realty Limited (the "Company")

(formerly known as *AKP Holdings Limited* and *AKP Holdings Private Limited*)

5th & 6th Floor, Lotus Tower,

1 Jai Hind Society, N. S. Road No. 12/A,

JVPD Scheme, Juhu,

Mumbai 400049

Monarch Network Capital Limited

4th Floor, B Wing Laxmi Towers,

G Block, Bandra Kurla Complex,

Bandra (E), Mumbai- 400051

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, 10th Floor Rahimtullah Sayani Road,

Opposite Parel S.T. Bus Depot, Prabhadevi

Mumbai – 400025

(**Monarch Network Capital Limited** and **Motilal Oswal Investment Advisors Limited** are collectively referred to as the "Book Running Lead Managers" or "BRLMs")

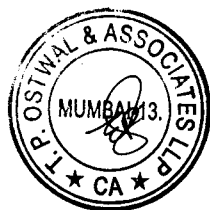
Dear Sir,

Re: Certificate on Special Tax Benefits in relation to the proposed initial public offering of equity shares (the "Equity Shares") by the Company and such issuance, the "Issue".

1. This certificate is issued in accordance with the terms of our engagement letter dated October 25, 2024.
2. We, M/s T. P. Ostwal & Associates LLP, the statutory auditor of the Company, hereby confirm that the enclosed statement in the Annexure "A" prepared by the Company and initialled by us and the Company for identification purpose (Statement) is true and correct and sets out the possible special tax benefits available to the Company, its material subsidiaries and its shareholders under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, as amended by the Finance Act, 2025, read with rules, circulars and notifications issued thereunder (Act) i.e., applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (GST Act) read with rules, circulars and notifications, the Customs Act, 1962 (Customs Act) and the Customs Tariff Act, 1975 (Tariff Act) and the Foreign Trade Policy 2015- 2020(FTP) as amended by the Finance Act, 2025, i.e., applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, presently in force in India (collectively the Taxation Laws) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2026-27 and relevant to the financial year 2025-26.
3. Several of these benefits are dependent on the Company, its material subsidiaries and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company, its material subsidiaries and its shareholders may or may not choose to fulfil.



4. This Statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its material subsidiaries and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
5. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.
7. The benefits stated in Annexure "A" of this certificate, for possible special tax benefits available to the Company, its material subsidiaries and its shareholders and are not exhaustive and the preparation of the contents stated is the responsibility of the Company. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
8. We do not express any opinion or provide any assurance as to whether:
 - (i) the Company, Material Subsidiaries or its shareholders will continue to obtain these benefits in future; or
 - (ii) the conditions prescribed for availing the benefits have been/would be met with.
 - (iii) The revenue authorities / courts will concur with the views expressed herein.
9. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
10. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.
11. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.



Restriction on use

12. This certificate is for information and for inclusion (in part or full) in the red herring prospectus ("RHP") and the prospectus ("Prospectus") filed in relation to the Issue (collectively, the "Issue Documents") or any other Issue-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to any regulatory or statutory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law in relation to the Issue.

We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation, in relation to our Issue, subject to our prior approval.

We also consent to the references to us as "experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus of the Company or in any other material used in connection with the Issue.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours faithfully,

For T. P. Ostwal & Associates LLP

Chartered Accountants

Firm Registration No. 124444W/W100150



Esha P. Shah

Partner

Membership number: 143874

UDIN: 25143874800000000000000000000000

Place: Mumbai

Date: July 10, 2025



Cc:

Legal Counsel to the Book Running Lead Manager as to Indian Law

Dentons Link Legal

Aiwan-e-Ghalib Complex,

Mata Sundri Lane,

New Delhi 110 002, India

Legal Counsel to the Company as to Indian Law

Crawford Bayley & Co

State Bank Building,

1st floor, NGN Vaidya Marg, Fort,

Mumbai - 400023, Maharashtra



ANNEXURE A

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS.

I. Special Statement of possible special tax benefits available to the Company and its Material Subsidiaries

1. Lower rate of Income Tax -Section 115BAA of the Act

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/ exemptions:

- i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- vi. Deduction under section 35CCD (Expenditure on skill development)
- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
- viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above
- ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

Note: The Company and its material subsidiaries have opted for the lower rate under section 115BAA of the Income Tax Act as mentioned in the Section 115BAA for which declaration (Form 10IC) has already been filed with the tax authorities.

2. Deduction in respect of inter-corporate dividends – Section 80M of the Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act. The Company has multiple subsidiaries and thus, the Company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfilment of other conditions.

3. Deductions in respect of employment of new employees - Section 80JJAA of the Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive



assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in the subsection.

Note:

The Company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfilment of the conditions discussed above.

II. Special Income tax benefits available to the Shareholders of Company under the Income tax Act, 1961

1. Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions.

In case of the shareholders who are individuals, Hindu Undivided Family, Association of person, Body of Individuals whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15% irrespective of the amount of dividend.

2. Tax on Capital Gains

As per section 112A of the IT Act, Long Term Capital Gains ('LTCG') arising from the transfer of equity shares on which Securities Transaction Tax ('STT') is paid at the time of acquisition and sale, shall be taxed at the rate of 12.5% (without indexation) (plus applicable surcharge and cess) of such capital gains. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F.No 370142/9/2017 dated 1 October 2018. It is worthwhile to note that tax u/s 112A of the IT Act shall only be levied where such aggregate capital gains exceed INR 1.25 lakhs in a year.

Further, the Finance Act 2022 restricts surcharge to 15% in respect of LTCG arising from any capital asset.

As per section 111A of the IT Act, Short-Term Capital Gains ('STCG') arising from the transfer of equity shares on which STT has been paid at the time of sale shall be taxed at the rate of 20% (plus applicable surcharge and cess).

Notes:

1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2025 read with relevant rules, circulars and notifications applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India.
2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.
4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
5. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
6. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

