

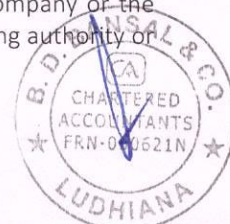
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STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
Ceigall India Limited
A-898, Tagore Nagar,
Opp. KVM School,
Ludhiana – 141001
Punjab, India

Sub: Statement of possible special tax benefits ('the Statement') available to Ceigall India Limited ('the Company'), its Material Subsidiaries and its Shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("the ICDR Regulations")

1. This report is issued in accordance with the terms of our engagement letter dated November 09, 2023.
2. We hereby confirm that the enclosed Annexure II prepared & issued by the Company, which provides the possible special tax benefits available to the Company its shareholders and its Material Subsidiary (*as defined below under Annexure A*) under direct and indirect taxes (together "Tax Laws"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to avail these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives which the Company, its shareholders or its Material Subsidiaries may face in the future and accordingly, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.
3. The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available and do not cover any general tax benefits available to the Company, its Shareholders and its Material Subsidiaries. We wish to highlight that the distinction between 'general' and 'special' tax benefits is not clear as the said terms have not been defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to fulfillment of certain conditions as per the applicable Tax Laws.
4. The benefits stated in the enclosed Annexure II are not exhaustive and the preparation of the contents stated is the responsibility of the Management of the Company. We are informed that the 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 proposed initial public offering of equity shares of the Company in the offer and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the statement. Also, any tax information included in this 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 regulatory, government taxing authority or agency.

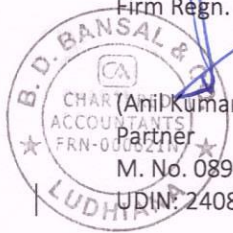


5. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. We do not express any opinion or provide any assurance as to whether:
 - i) the Company, its shareholders and Material Subsidiaries will continue to obtain these possible special tax benefits in future; or
 - ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.
7. The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
8. We consent to the references to us as "Experts" as defined under Section 2(38) and Section 26 and any other applicable provisions of the Companies Act, 2013 to the extent and in our capacity as the Statutory Auditors of the Company and in respect of this report to be included in the in the red herring prospectus, and the prospectus and any other material in connection with the Offer.
9. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of tax law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company or any other person in respect of this Statement, except as per applicable law.
10. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the red herring prospectus and the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment/modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.
11. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Punjab & Chandigarh at Chandigarh ("RoC"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law.
12. We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.



13. We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Book Running Lead Managers and the legal advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information until the Equity Shares commence trading on the relevant stock exchanges pursuant to the Offer. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents

For BD Bansal & Co.
Chartered Accountants
Firm Regn. No. 000621N



(Anil Kumar Gupta)
Partner
M. No. 089988
UDIN: 24089988BKELHS3523

Place: Ludhiana
Date: 15.07.2024

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of Tax Laws
1	Income-tax Act, 1961 and Income-tax Rules, 1962
2	Central Goods and Services Tax Act, 2017
3	Integrated Goods and Services Tax Act, 2017
4	Union Territory Goods and Services Tax Act, 2017
5	Goods and Services Tax legislations as promulgated by various states
6	Customs Act, 1962

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

Below are material subsidiaries as on March 31, 2024:

1. Ceigall Infra Projects Private Limited.
2. Ceigall Malout Abohar Sadhuwali Highways Private Limited.
3. Ceigall Bathinda Dabwali Highways Private Limited.

Note 1: Material Subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiary in the immediate preceding year.

For Ceigall India Limited



Director

Place: Ludhiana

Date: 15.07.2024

Annexure-II

THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CEIGALL INDIA LIMITED ('THE COMPANY') ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT TAXES AND INDIRECT TAXES ('TAX LAWS')

Outlined below are the possible Special tax benefits available to the Company, its shareholders and Material Subsidiaries under the Tax Laws in force in India (*i.e.*, applicable for the Financial Year 2024-25 relevant to the assessment year 2023-24). These benefits are dependent on the Company or its shareholders or Material Subsidiaries fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders or Material Subsidiaries to derive the Special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. Special direct tax benefits to the Company & Material Subsidiaries

1. Tax Benefit under Section 115BAA OF THE INCOME-TAX ACT,1961 ('THE ACT')

The following specific Income tax benefits may be available to the Company and Material Subsidiaries after fulfilling conditions as per the respective provisions of the relevant Tax Laws:

In accordance with and subject to the conditions specified in Section 115 BAA of the Act, the company and Material Subsidiaries is liable to pay income-tax of the total income at the rate of twenty-two per cent plus surcharge at the rate of ten per cent on income tax plus health cess at the rate of four percent on income tax and surcharge with non-applicability of MAT provisions u/s 115JB. As per the Finance Act, 2020, the deduction shall be available only if the total income of the company shall be computed-

- (i) without considering any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or 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 or section 35AD or section 35CCC or section 35CCD or under any provisions of [Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" – other than the provisions of section 80JJAA]
- (ii) without 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 to in clause (i);
- (iii) without 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 to in clause (i); and
- (iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

The loss and depreciation referred to in clause (ii) and clause (iii) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year.

B. Special indirect tax benefits to the Company & Material Subsidiaries

There are no special indirect tax benefits available to the Company or Material Subsidiaries under the Tax laws.

C. Special tax benefits to the Shareholders of the Company under the Act

There are no special tax benefits available to the shareholders of the Company under the Tax Laws other than:

- (a) reduced surcharge on dividends (maximum surcharge being 15%); and
- (b) exempt taxation of buy back of shares when compared to taxable dividend income in the hands of shareholders.

Notes:

- 1) All the above benefits are as per the current tax law and any change or amendment in the laws/regulation, which when implemented would impact the same.
 - 2) The special Income-tax benefits are dependent on the Company or its shareholders or Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders or Material Subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or Material Subsidiaries may or may not choose to fulfill.
 - 3) The tax benefits discussed in the statement are not exhaustive and are 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.
 - 4) The Statement is prepared on the basis of information available with the Management of the Company and Material Subsidiaries and there is no assurance that:
 - Company or its shareholders will continue to obtain these benefits in future.
 - Conditions prescribed for availing the benefits have been/would be met with.
 - The revenue authorities/courts will concur with the view expressed herein; and
- The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
- 5) The above statement of possible special Income-tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares held as investment (and not as stock in trade). Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of the Equity Shares.
 - 6) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

For Ceigall India Limited


Director

Place: Ludhiana

Date: 15.07.2024