

B D Bansal & Co

CHARTERED ACCOUNTANTS

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Cert. No.: Ldh/CIL/2737

To,

The Board of Directors

Ceigall India Limited

A-898, Tagore Nagar,
Ludhiana, Punjab 141001

India

(the "Company")

ICICI Securities Limited

ICICI Venture House, Appasaheb Marathe Marg,

Prabhadevi, Mumbai – 400 025

Maharashtra, India

JM Financial Limited

7th Floor, Cnergy,

Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400 025

Maharashtra, India

IIFL Securities Limited

10th Floor, IIFL Centre,
Kamla City, Senapati Bapat Marg
Lower Parel (West)
Maharashtra, India

(ICICI Securities Limited, JM Financial Limited, IIFL Securities Limited and any other book running lead managers appointed by the Company are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)

Dear Sir/Madam,

Re: Certificate on utilisation of loans

Sub: Proposed initial public offering of equity shares of face value of ₹5each (the “Equity Shares”) of Ceigall India Limited (the “Company” and such offer, the “Offer”)

We, M/s B D Bansal & Co., Statutory Auditors of the Company, have been informed that the Company has filed the Draft Red Herring Prospectus on March 3, 2024 with respect to the Offer (the “**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) and proposes to file (i) Red Herring Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, Punjab and Chandigarh (“**Registrar of Companies**”) and such Red Herring Prospectus, the “**RHP**”); (ii) Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the “**Prospectus**”); and (iii) any other documents or materials to be issued in relation to the Offer (collectively with the DRHP, RHP and Prospectus, the “**Offer Documents**”).

One of the objects of the Issue is to prepay or re-pay a portion of certain outstanding borrowings availed by the Company and Subsidiaries and outstanding as on June 30, 2024 as detailed in Annexure-I, which has been prepared by the management of the company and initialled by us for identification purpose only.

The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring:

- a) the utilisation of loan for the purpose availed; and
- b) compliance with the requirements of the ICDR Regulations.

We have received a request to certify:

- a) the proposed offer proceeds for the purposes for which it was availed is as per Annexure – I are in accordance with the relevant financing arrangement entered with the lenders, board minutes and the relevant bank account statements of the Company; and
- b) Utilisation of loans as stated in Annexure-I for the purposes they were availed, the terms and details of outstanding financing facilities as on June 30, 2024, of the Company and the Subsidiary which are proposed to be paid from the proceeds of the Issue.

We have examined the books of accounts of the Company with respect to historical financial information, financial agreements, bank statements and unaudited books of accounts for the period April 1, 2024 to June 30, 2024, to the extent applicable, read the minutes of board meetings with respect to the objects of the Issue and conducted relevant management enquiries.

Based on our examination as above, and the information and explanations given to us, in our opinion, the details provided in the Statement is in agreement with the un-audited books of accounts and other records for the period from April 1, 2024 to June 30, 2024.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we confirm that the information in this certificate is accurate and factually correct. We have conducted our examination in accordance with the applicable guidance note 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 and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate may be relied upon by the Book Running Lead Managers and the legal counsels appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to extracts of, or reference to, this certificate being used in the Offer Documents. We also consent to the submission of this certificate as may be necessary, SEBI, Stock Exchanges, Registrar of Companies and to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law. This certificate may be produced in any actual/potential proceeding or actual or potential dispute relating to or connected with the Offer Documents or otherwise in connection with the Offer.

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 allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, 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.

All capitalised terms used herein and not specifically derived shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

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

(Anil Kumar Gupta)
Partner
M. No. 089988

Place: Ludhiana
Date: 26.07.2024

UDIN: 24089988BKELIZ6485

Cc:

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India

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

Trilegal
One World Centre,
10th floor, Tower 2A & 2B,
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India

Annexure-1

The details of the outstanding loans of the Company proposed for repayment or prepayment, in full or in part from the proceeds of the Issue are set forth below. The loan facilities are listed below:

Table-01-Term Loan Facility balance under Ceigall India Limited as on 30.06.2024

Sr. No.	Name of the Borrower	Name of the lender	Nature of the borrowing and date of the Sanction Letter/Document	Rate of interest (% per annum) ⁽¹⁾	Amount sanctioned (₹ in million)	Amount disbursed (₹ in million)	Principal amount outstanding as on 30.06.2024 (₹ in million)	Repayment schedule / tenor	Prepayment penalty, if any	Purpose of loan
1	Ceigall India Limited	HDFC BANK	Term Loan	Floating Rate Linked with 3M T Bill + Spread 2.01%	700.00	700.00	633.33	Monthly Instalments/ 24 Months tenor	Nil Foreclosure	Working capital payment base
2	Ceigall India Limited	HDFC BANK	Term Loan	9.50%	1000.00	1000.00	923.70	Monthly Instalments/ 24 Months tenor	Nil Foreclosure	Working capital payment base
	Ceigall India Limited	Federal Bank	Term Loan	1 year MCLR .ie 9.70%	819	819	773.50	Monthly Instalments/ 18 Months tenor	Nil Foreclosure	Working capital payment base
Total					2,519.00	2,519.00	2,330.54			

Table-02-Equipment Loan Details under Ceigall India Limited as on 30.06.2024

Sr. No.	Name of the Borrower	Name of the lender	Nature of the borrowing and date of the Sanction Letter/Document	Rate of interest (% per annum) ⁽¹⁾	Amount sanctioned (₹ in million)	Amount disbursed (₹ in million)	Principal amount outstanding as on 30.06.2024 (₹ in million)	Repayment schedule / tenor	Prepayment penalty, if any	Purpose of loan
1.	Ceigall India Limited	Tata Motor Finance	Vehicle Loan	7.85%	245.23	245.23	140.06	Monthly / 35 Months	100% wave off after 1 year	Vehicle Loan
2.	Ceigall India Limited	Axis Bank	Equipment Loan	8.60% - 8.75%	223.61	223.61	152.66	Monthly	5% of Principal outstanding Plus GST	Equipment Loan
3.	Ceigall India Limited	HDB Financial Services	Equipment Loan	"7.89% for Excavator 8.70% on Kaushik Engineering Works, KB 160 8.56% on Kaushik Engineering Works, KB 120 TPH	143.71	143.71	102.11	Monthly / 35 Months	100% wave off after 1 year	Equipment Loan
4.	Ceigall India Limited	HDFC Bank	Equipment Loan	7.75% - 8.90%	541.80	541.80	247.39	Monthly / 37 Months	Nil	Equipment Loan
5.	Ceigall India Limited	Federal Bank	Vehicle Loan	9.50%	69.32	69.32	58.31	Monthly / 36 Months	3% of outstanding balance	Vehicle Loan
Total					1,223.67	1,223.67	700.52			

Table-03-WCDL Facility balance under Ceigall India Limited as on 30.06.2024

Sr. No.	Name of the Borrower	Name of the lender	Nature of the borrowing and date of the Sanction Letter/Document	Rate of interest (% per annum) ⁽¹⁾	Amount sanctioned (₹ in million)	Amount disbursed (₹ in million)	Principal amount outstanding as on 30.06.2024 (₹ in million)	Repayment schedule / tenor	Prepayment penalty, if any	Purpose of loan
1.	Ceigall India Limited	Axis Bank	WCDL	9.50%	200.00	200.00	120.00	7 days	NIL	Working Capital requirement
2.	Ceigall India Limited	Federal Bank	WCDL	9.25% for 300 Million and 9.50% for 20.15 Million.	500.00	500.00	320.15	300.00 million for 30 days 20.15 million for 180 days	As per Bank Card rates	Working Capital requirement
3.	Ceigall India Limited	HDFC Bank	WCDL	9.10%	250.00	250.00	240.00	30 days	NIL	Working Capital requirement
4.	Ceigall India Limited	IndusInd Bank	WCDL	8.20%	200.00	200.00	194.00	194.00 million @ 30 days	NIL	Working Capital requirement
5.	Ceigall India Limited	RBL Bank	WCDL	9.10%	250.00	250.00	250.00	250.00 million @ 30 days	NIL	Working Capital requirement
6.	Ceigall India Limited	Bank of Baroda	WCDL	8.95% For 80 Million and 8.85% for 100 Million	300.00	300.00	180.00	180.00 million for 30 days	NIL	Working Capital requirement
Total					1,700.00	1,700.00	1,304.15			

The details of the outstanding loans of the Subsidiary proposed for repayment or prepayment, in full or in part from the proceeds of the Issue are set forth below:

Table-04-Equipment Loan Details under Ceigall Infra Projects Private Limited as on 30.06.2024

Sr. No.	Name of the Borrower	Name of the lender	Nature of the borrowing and date of the Sanction Letter/Document	Rate of interest (% per annum) ⁽¹⁾	Amount sanctioned (₹ in million)	Amount disbursed (₹ in million)	Principal amount outstanding as on 30.06.2024 (₹ in million)	Repayment schedule / tenor	Prepayment penalty, if any	Purpose of loan
1	Ceigall Infra Projects Private Limited	HDFC Bank	Vehicle Loan	8.75%	151.59	151.59	117.07	Monthly / 37 Months	Nil after 6 months	Vehicle/ Equipment
2	Ceigall Infra Projects Private Limited	HDFC Bank	Equipment Loan	8.85%	2.40	2.40	1.89	Monthly / 37 Months	Nil after 6 months	Vehicle/ Equipment
Total					153.99	153.99	118.96			

Table-05-Term Loan Facility Details under Ceigall Infra Projects Private Limited as on 30.06.2024

Sr. No.	Name of the Borrower	Name of the lender	Nature of the borrowing and date of the Sanction Letter/Document	Rate of interest (% per annum) ⁽¹⁾	Amount sanctioned (₹ in million)	Amount disbursed (₹ in million)	Principal amount outstanding as on 30-06-2024 (₹ in million)	Repayment schedule / tenor	Prepayment penalty, if any	Purpose of loan
1	Ceigall Infra Projects Private Limited	HDFC Bank	Term Loan	9.10%	250.00	250.00	197.92	Monthly/24 Months	Nil	Working Capital Payment base