



6. Statement of Special Tax Benefits

Date: 31/08/2024

To,

The Board of Directors
Garuda Construction and Engineering Limited
201, A Wing Fortune 2000,
C-3 Block Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

Dear Sirs/Madams,

Sub: Statement of possible special tax benefit (the "Statement") available to Garuda Construction and Engineering Limited (the "Company"), and its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 5 each (the "Equity Shares") of the Company and [such offering, (the "Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer")]

We refer to the proposed initial public offering of equity shares (the "Offer") of Garuda Construction and Engineering Limited ("GCEL" or the "Company"). We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company, to its shareholders and its subsidiaries as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, ("Act") 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 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-26 relevant to the financial year 2024-25 for inclusion in the Updated Draft Red Herring Prospectus ("UDRHP") and Prospectus for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders or its subsidiaries fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders or its subsidiaries to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and 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 their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.





MITTAL AGARWAL & COMPANY

CHARTERED ACCOUNTANTS

The contents of the enclosed Annexure are based on the representations obtained from the Company and its subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its subsidiaries.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders or its subsidiaries will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company, its Shareholders and its Subsidiaries in the RHP and Prospectus for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the RHP and Prospectus.

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 Red Herring Prospectus, Prospectus, the Abridged Prospectus and any other addendum thereto of the Company to be submitted/filed with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Mumbai at ("ROC") Mumbai and the stock exchanges, or any other material (including in any corporate or investor presentation made by or on behalf of the Company) to be issued in relation to the Offer (together referred as "Offer Documents") or in any other documents in connection with the Offer.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and our independent verification of thereof and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement. This statement has been prepared solely in connection with the proposed Offer of the Company under the ICDR Regulations.

For Mittal Agarwal & Company
Chartered Accountants
(Registration No. 131025W)

Deepesh Mittal
Partner
Membership No. 539486
Place: Mumbai
Date: 31/08/2024
UDIN: 24539486BKFMFL8742





ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO GARUDA CONSTRUCTION AND ENGINEERING LIMITED (“COMPANY”), THE SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”)

The information provided below sets out the possible special direct and indirect tax benefits available to Garuda Construction and Engineering Limited (“GCEL” or “the Company”), the shareholders of the Company (“Shareholders”) in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a Shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its Shareholders or its Subsidiaries will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual 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. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, SHAREHOLDERS OF THE COMPANY AND ITS MATERIAL SUBSIDIARIES

I. Special direct tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special direct tax benefits available to Shareholders

Apart from the tax benefits available to each class of Shareholders as such, there are no special tax benefits for Shareholders.

NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2024.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. The Company has opted for concessional tax rate under Section 115BAA of the Act. Accordingly, the surcharge shall be levied at the rate of 10% irrespective of the amount of total income.
4. Health and Education Cess at 4% on the tax and surcharge is payable by all category of taxpayers.





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5. The Company has opted for concessional tax rate under Section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions/exemptions:
- Deduction under the provisions of Section 10AA (deduction for units in Special Economic Zone)
 - Deduction under clause (iia) of sub-section (1) of Section 32 (Additional depreciation)
 - Deduction under Section 32AD or Section 33AB or Section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of Section 35 (Expenditure on scientific research)
 - Deduction under Section 35AD or Section 35CCC (Deduction for specified business, agricultural extension project)
 - Deduction under Section 35CCD (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
 - 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 above.
 - 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 to in paras as listed above.

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.





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STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS SUBSIDIARIES

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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect Tax laws")

I. Special indirect tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special indirect tax benefits available to Shareholders

There are no special tax benefits applicable in the hands of the Shareholders for investing in the shares of the Company under the Indirect Tax laws.

III. Special indirect tax benefits available to its Subsidiaries

There are no special tax benefits available to its Subsidiaries under the Indirect Tax laws.

