

Sanjay Rane & Associates

CHARTERED ACCOUNTANTS

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3. Certificate on Statement of Tax Benefits

Date: 20th September, 2021

To,

The Board of Directors

Puranik Builders Limited

Puranik One

Near Kanchanpushpa Complex

Opp Suraj Water Park, Kavesar Ghodbunder Road

Thane West 400 615

Dear sirs,

Sub: Statement of possible special Income Tax benefits available to Puranik Builders Limited and its shareholders prepared in accordance with the requirements under Schedule VI Part A – Clause (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

We, **Sanjay Rane & Associates**, the independent statutory auditors of Puranik Builders Limited (“the Company”), hereby confirm that the enclosed statement is in connection with (i) the special tax benefits available to the Company, the shareholders and material subsidiaries (*as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*) of the Company, under the Income-tax Act, 1961, 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, i.e. applicable for financial year 2021-2022, relevant to the assessment year 2022-2023 presently in force in India as on the date of this certificate in the enclosed statement at **Annexure I**.

Following are the material subsidiary of the Company:

- i. Puranik Buildcon Private Limited

Several of these benefits are dependent on the Company or its shareholders or material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. Further, the preparation of the **Annexure I** and its contents is the responsibility of the management of the Company. We were 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 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 Offer.

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

- (1) The Company or its shareholders or material subsidiary will continue to obtain these benefits in future; or
- (2) The conditions prescribed for availing the benefits have been/ would be met with.
- (3) The revenue authorities/courts will concur with the views expressed therein

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.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsel appointed in relation to the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the draft red herring prospectus, red herring prospectus and prospectus or any other documents in connection with the Issue (collectively, the “**Issue Documents**”). We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Issue and in accordance with applicable law.

We confirm that we will immediately communicate any changes in writing in respect of the above information upon receipt of knowledge of the same from the Company, to the Book Running Lead Managers until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Managers and the legal advisor, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information.

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 Sanjay Rane & Associates
Chartered Accountants
ICAI Firm Registration Number: 121089W

Partner: CA Abhijeet Deshmukh
Membership No. 129145
Place: Mumbai

UDIN: 21129145AAABBA6092

Encl: Annexure I (Statement of tax benefits)

Annexure I

Statement of Possible Special Income Tax Benefits available to the Company, its Shareholders and material subsidiary under the applicable Tax Laws in India

Outlined below are the possible special Income tax benefits available to the Company, its shareholders and material subsidiary under the Income Tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, i.e. applicable for the financial year 2021-22 relevant to the assessment year 2022-23, presently in force in India.

I. Special Income tax benefits available to the Company and its material Subsidiary

Deduction under Section 80-IBA

The Company will avail deduction under Section 80-IBA of the Income Tax Act, 1961 (Deduction in respect of Profits & Gains from housing projects) under affordable schemes for Puranik Builders Limited projects- i) Neral, ii) Puranik City Reserva T1 & T5 and Puranik Buildcon Limited project- i) Abhitante Phase 2A & 2B.

Lower corporate tax rate

The Company and its material subsidiary can avail reduced corporate tax rate of 25% under the Act, since the Company’s turnover during the financial year.2019-20 does not exceed Rs. 400 crores.

The Company may claim such benefits in future years subject to fulfilling the then prevailing provisions under the Act.

II. Special Income tax benefits available to Shareholders

- There are no special tax benefits available to the shareholders.

III. Special Indirect tax benefits available to the Company & Material Subsidiary

The Ongoing projects are benefiting from the concessional rate of 8% (erstwhile 12%) under the affordable housing scheme based on the earlier provisions.

For Forthcoming Projects, Notification No. 3/2019 – Central Tax (Rate) dated March 29, 2019 provides for the following tax benefits w.e.f. April 1, 2019 –

- i. The reduced effective GST rates for affordable residential apartments from 8% to 1% without availing input tax credit subject to fulfilment of the following conditions:
 - a. having carpet area not exceeding 60 square meters in metropolitan cities or 90 square meters in cities or towns other than metropolitan cities.
 - b. the gross amount charged is not more than forty five lakhs rupees.
- ii. For all other residential apartments, the reduced effective GST rates from 12% to 5% without availment of input tax credit.