



SKLR & CO LLP

CHARTERED ACCOUNTANTS

407, Sej Plaza, Marve Road, Near Nutan School, Malad-(West), Mumbai - 400 064.
☎ 022 4601 5515 | ✉ sklr@sklr.in/team@sklr.in | 🌐 www.sklr.in

Certificate No.: SKLR/RJ/23-24/011

To,
The Board of Directors,
Suraj Estate Developers Limited
301, 3rd Floor, Aman Chambers,
Veer Savarkar Marg, Opp Bengal Chemicals,
Prabhadevi, Mumbai – 400 025,
Maharashtra, India

And

ITI Capital Limited
ITI House, 36, Dr. R K Shirodkar Road,
Parel, Mumbai 400 012
Maharashtra, India

Anand Rathi Advisors Limited
11th Floor, Times Tower,
Kamla City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Maharashtra, India

(ITI Capital Limited and Anand Rathi Advisors Limited are hereinafter individually referred to as the “**Book Running Lead Manager/ BRLM**” and collectively as the “**Book Running Lead Managers/ BRLMs**”)

Re: Proposed initial public offering of equity shares of face value of Rs. 5 each (Equity Shares) by ‘Suraj Estate Developers Limited’ (the “Company”) comprising fresh issue of Equity Shares (the “Issue”).

1. Certificate On Special Tax Benefits availed by the Company, subsidiaries entities and shareholders

This certificate is issued in accordance with the terms of our engagement letter dated 6 November 2023.

We M/s **SKLR & CO LLP (FRN: W100362)**, are the statutory auditors of the Company have been requested by the Board of Directors of Suraj Estate Developers Limited (hereinafter referred to as the ‘Company’) (CIN - U99999MH1986PLC040873) having its registered office at 301, 3rd Floor, Aman Chambers, Veer Savarkar Marg, Opp. Bengal Chemicals, Prabhadevi, Mumbai – 400 025, to issue certificate on Special Tax Benefits, to comment on the possible special tax benefits available to (i) the Company (ii) to the shareholders of the Company and (iii) material subsidiaries (hereinafter referred to as “**the statement**”), under applicable tax laws presently in force in India including the Income Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the “**Indian Income Tax Regulations**”).

This certificate is required in relation to Proposed initial public offering of equity shares of face value of Rs. 5 each (Equity Shares) by ‘Suraj Estate Developers Limited’ (the “Company”) comprising fresh issue of Equity Shares (the Issue”) for onward submission to ITI Capital Limited and Anand Rathi Advisors Limited (BRLMs).

2. Management’s responsibility

The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company’s Management is responsible for the 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 responsibility of the management is to provide all the information and explanations required in connection with the aforesaid certification.



3. Practitioner's responsibility

- (a) Pursuant to the requirement as given in para 1 above, it is our responsibility to express a limited assurance in the form of this certificate based on our verification of relevant records and information and explanation provided to us, in respect of information given in the certificate.
- (b) We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- (c) 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.
- (d) Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (**the 'ICDR Regulations'**) and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits as of 30th September 2023 available to the Company, the shareholders and subsidiaries of the Company, in accordance with the Indian Income Tax Regulations and the Income Tax regulations as at the date of our report.
- (e) For the purpose of reporting in accordance with para 3(d) above, we have relied on following:
- (i) A representation from the Management of the Company with respect to the special tax benefits.
- (ii) List of subsidiaries as identified by the Company in terms of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015 on the date of signing of this report:

Sr. No.	Name of the Subsidiary	Country	Location
1	Accord Estates Private Limited (Material Subsidiary)	India	Mumbai
2	Iconic Property Developers Private Limited	India	Mumbai
3	Skyline Realty Private Limited (Material Subsidiary)	India	Mumbai
4	Uditi Premises Private Limited – Step Down Subsidiary (Subsidiary of Accord Estates Private Limited)	India	Mumbai

- (iii) List of partnership firms which are considered as subsidiaries by the Management in accordance with requirement of Ind AS 110:

Sr No	Name of the Subsidiary	Country	Location
1	M/s New Siddhartha Enterprises	India	Mumbai
2	M/s S R Enterprises	India	Mumbai
3	M/s Mulani & Bhagat Associates	India	Mumbai

- (iv) Information, explanations and representations provided by the Company and based on our understanding of the business activities and operations of the Company;
- (v) Income tax return of the Company and subsidiaries filed for FY 2022-2023.
- (f) We do not express any opinion or provide any assurance as to whether:
- (i) the Company, its subsidiaries and its shareholders 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.



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(g) For the purpose of this certificate, we have also relied on the certificate dated 24 July, 2023 on similar subject matter issued by M/s Bhuwania & Agarwal Associates, Chartered Accountants (Previous Auditor).

4. Conclusion

Based on the information and explanation provided and representations provided by the management, the possible tax benefits available to the Company, Subsidiaries and Shareholders of the Company are as mentioned in the Annexure 1 - "Statement of tax benefits" attached to this certificate.

5. Restriction on use

We hereby consent for inclusion of this certificate or any extracts or annexures thereof, in full or part, in the Red Herring Prospectus (RHP) and the Prospectus (Prospectus and together with RHP, the "Issue Documents"), to be filed with the Registrar of Companies, Mumbai at Maharashtra (ROC) and submitted to Securities and Exchange Board of India (SEBI) and the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE and together with the BSE, the "Stock Exchanges") with respect to the Issue, and in any other material used in connection with the Issue and may be relied upon by the BRLMs and the legal advisors appointed by the Company and the BRLMs in relation to the Issue. We further consent that this certificate may be used for the purpose of any defense the BRLMs may wish to advance in any claim or proceeding in connection with the contents of the Issue Documents and for purpose of the records to be maintained by the BRLMs.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

This certificate may be relied on by BRLMs, their affiliates and legal counsels appointed in relation to the Issue

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to 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 sincerely,
For SKLR & CO LLP
Chartered Accountants
Firm Registration no. W100362

Bharmel

Rakesh Jain
Partner
Membership No.: 123868
UDIN: 23123868BHBRKP1925
Date: 06-12-2023
Place: Mumbai



CC:
Crawford Bayley & Co.
State Bank of India Building,
4th Floor, N.G.N. Vaidya Marg,
Fort, Mumbai - 400 023,
Maharashtra, India



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Annexure 1

(Certificate No.: SKLR/RJ/23-24/011)

STATEMENT OF DIRECT TAX BENEFITS

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

UNDER THE APPLICABLE LAWS IN INDIA – INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to Suraj Estate Developers Limited (the “Company”) and its Shareholders under The Income Tax Act, 1961 (the “Act”) as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

A. Special tax benefits available to the Company and subsidiaries

a) Provision of section 115BAA of the Act - Lower corporate tax rates on income of domestic companies

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the Company not availing any of the following specified tax exemptions/incentives under the Act:

- Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
- Deductions available under the Chapter VI-A except under section 80JAA and section 80M;
- Deduction u/s 32(1)(ia): Additional Depreciation;
- Deduction u/s 32AD: Investment allowance;
- Deduction u/s 35AD: Deduction for capital expenditure incurred on specified businesses;
- Deduction under certain sub-sections/clauses of Section 35: Expenditure on scientific research.

The total income of a Company availing the concessional rate of 22% is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax (“MAT”) under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Based on the information provided by the management and representation given:

- We understand that the Company has opted for the lower corporate tax with effect from Financial Year 2020-2012 onwards.
- Skyline Realty Private Limited which has opted benefit available U/s. 115BAA i.e. the reduced tax liability @ 22% (exclusive of SC and Cess).
- Other subsidiaries (only corporate entities) as mentioned in Point 6 above has not opted the benefit available U/s. 115BAA i.e. the reduced tax liability @ 22% (exclusive of SC and Cess) as on the date of this certificate.
- Partnership Firms are not eligible for the concessional tax rate u/s 115BAA of the Act.

B. Special tax benefits available to the Shareholders of the Company

According to the information and explanation given to us and representation given by the Management there are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.



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Notes:

1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2023 read with relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, 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.



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