



**STATEMENT OF SPECIAL TAX BENEFITS**

To,

**The Board of Directors**

**Denta Water and Infra Solutions Limited**

#40, 3rd Floor, Sri Lakshminarayana Mansion,  
South End Road, Basavanagudi,  
Bangalore, South Bangalore,  
Karnataka 560 004, India

**SMC Capitals Limited**

A-401/402,  
Lotus Corporate Park  
Off Western Express Highway,  
Jai Coach Junction,  
Goregaon (East),  
Mumbai - 400063  
Maharashtra, India

Dear Sirs,

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) by Denta Water and Infra Solutions Limited (the “Company”, and such issuance, the “Issue”).**

We report that the enclosed statement in the **Annexure A**, states the possible special tax benefits under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as “**Income Tax Laws**”), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders and its associate. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company, its shareholders and its associate may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed **Annexure A** are not exhaustive. 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 Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with.

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 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 and prospectus of the Company or in any other material used in connection with the Issue.





**ANNEXURE A**

**STATEMENT OF SPECIAL TAX BENEFITS**

To,

**The Board of Directors**

**Denta Water and Infra Solutions Limited**

#40, 3rd Floor, Sri Lakshminarayana Mansion,  
South End Road, Basavanagudi,  
Bangalore, South Bangalore,  
Karnataka 560 004, India

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) by Denta Water and Infra Solutions Limited (the “Company”, and such issuance, the “Issue”).**

We hereby report that the enclosed Statement prepared by Denta Water and Infra Solutions Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as “Income Tax Laws”), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India, and also to its the associate of the Company under the respective tax laws of their country as on the signing date, for inclusion in the red herring prospectus (“Red Herring Prospectus” or “RHP”) and prospectus (“Prospectus”) for the proposed initial public offering of the Company through fresh issue of equity shares by the Company. These benefits are dependent on the Company or its associate or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its associate or the shareholders of the Company to derive the special 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 or its associate or the shareholders of the Company may or may not choose to fulfill.

With respect to the special tax benefits in the overseas jurisdictions in the case of associate listed below, we have relied upon the Management Representation and confirmation received from the Tax Advisors of the respective associate of the Company as the case may be as listed in **Annexure I**.

Following is the associate firm as identified by the Company:

- Denta Properties and Investment (Partnership Firm)

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, or its associate and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was 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 proposed Issue.

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,’ issued by the ICAI. We have conducted 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”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with ‘Guidance Note on Reports in Company Prospectuses’ (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.





**ANNEXURE I**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961 AND INCOME TAX RULES, 1962 INCLUDING AMENDMENTS MADE BY FINANCE ACT 2023 THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE STATE GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017, CUSTOMS ACT, 1962, CUSTOMS TARIFF ACT, 1975 AS AMENDED, THE RULES AND REGULATIONS THERE UNDER, FOREIGN TRADE POLICY, PRESENTLY IN FORCE IN INDIA.**

<b>No.</b>	<b>Particulars</b>	<b>Direct Tax</b>	<b>Indirect Tax</b>
I.	Special tax benefits available to the Company	Nil	Nil
II.	Special tax benefits available to the Shareholders	Nil	Nil