



STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: 14th July 2025

To,

**The Board of Directors
TSC India Limited**

Office no. 3, 2nd floor, Midland Financial Centre,
Plot No. 21-22, G.T. Road, Jalandhar
Punjab, India - 144001

Dear Sir(s):

Sub : Statement of possible Special tax benefit ('the Statement') available to TSC India Limited and its shareholders prepared in accordance with the requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'ICDR Regulations')

We report that the enclosed statement in **Annexure A**, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 ('Act'), as amended by the Finance Act, 2025 i.e. applicable for FY 2025-2026 relevant to AY 2026-27, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the TSC India Limited or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure 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. We are neither suggesting nor advising the investor to invest money 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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations





obtained from the Company.

Limitation:

Our views expressed herein are based on the facts and assumptions indicated to us. Our views are based on the existing provisions of Income Tax laws 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.

We hereby give consent to include this statement of tax benefits in the Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Red Herring Prospectus/Prospectus.

Yours sincerely,

**For Rishab Aggarwal & Associates,
Chartered Accountants**

ICAI Firm Registration No.: 028548N

Rishab Aggarwal
Partner

Membership No: 520899

Place: Jalandhar, Punjab

Date: 14th July 2025

UDIN: 25520899BMJLOH2509

CC to:

Expert Global Consultants Private Limited

[Book Running Lead Manager (BRLM)]

SEBI Registration No : INM000012874

503-504, RG Trade Tower, Netaji Subhash Place,
Pitampura, New Delhi – 110034



Annexure-A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2025 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares 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.

A. SPECIAL TAX BENEFITS TO THE COMPANY

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

1. Lower corporate tax rate under section 115BAA of the Act

A new section 115BAA has been inserted in the act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay minimum alternate tax (MAT) on their 'book profits' under section 115JB of the act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act).





B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, association of persons, body of individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.
2. As per section 112A of the act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 12.50% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the act as well. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹ 1,25,000.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 12.50% without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 12.50% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

3. As per section 111A of the act, short-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfilment of prescribed conditions under the act.

Except for the above, the shareholders of the company are not entitled to any other special tax benefits under the direct tax laws.

Notes:

- a. The above statement of direct tax benefits ("statement") sets out the special tax benefits available to the company and its shareholders under the direct tax laws.
- b. 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, 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.





- c. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The subscribers of the shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- d. In respect of non-residents, the tax rates and the consequent taxation mentioned above may be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- e. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

Our views expressed in this statement are based on the facts and assumptions as indicated in this statement. No assurance is given 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

