

STATEMENT OF SPECIAL TAX BENEFITS

Date: 21.07.2025

To,
The Board of Directors
Laxmi India Finance Limited
2, DFL, Gopinath Marg, MI Road,
Jaipur – 302001, Rajasthan, India

PL Capital Markets Private Limited
3rd Floor, Sadhana House,
570, P. B. Marg,
Worli, Mumbai 400018,
Maharashtra, India

(PL Capital Markets Private Limited referred to as the “Book Running Lead Manager”)

Dear Sir(s)

Sub.: Statement of possible special tax benefits available to Laxmi India Finance Limited (“the Company”) and its shareholders in accordance with the requirement under Schedule VI-A Part A – Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) under direct tax and indirect tax laws (“Statement of Possible Special Tax Benefits”)

We refer to the proposed initial public offering of the equity shares (the “Offer”) of the Company. We enclose herewith the statement in Annexure A showing the current position of possible special tax benefits available to the Company and to its shareholders under the applicable direct and indirect tax laws presently in force in India including the Income Act, 1961 and Income tax Rules, 1962, as amended by the Finance Act, 2025 (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, as applicable, including the rules, regulations, circulars and notifications issued there under] and other tax laws (collectively the “Tax laws”) relevant to the financial year 2025-26 and relevant to the assessment year 2026-27 presently in force in India for inclusion in the Red Herring Prospectus (“RHP”) for the proposed initial public offering of equity shares of the Company, as required under SEBI ICDR Regulations.



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Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive the stated possible special direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives that the Company or its shareholders may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The possible special tax benefits discussed in the enclosed annexure are neither exhaustive nor conclusive. The contents stated in the Annexure (Annexure A) are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. 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 Offer. We are neither suggesting nor advising the investor to invest money based on this statement. Further, any benefits available under any other laws within or outside India have not been examined and covered by 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 possible special tax benefits in future; or
- ii. The conditions prescribed for availing the benefits have been/would be met with.
- iii. the revenue authorities/courts will concur with the views expressed herein.

We hereby confirm that while providing this certificate we have conducted our examination in accordance with the Guidance Note on Reports in Company Prospectuses' (Revised 2019) and the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountant of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate, which includes the concepts of test checks and materiality. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI).

We have also 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.

We hereby give consent to include this report and the statement of possible special tax benefits regarding the possible special tax benefits available to the Company and its shareholders enclosed in Annexure A in the Red Herring Prospectus, the Prospectus which the Company intends to file in relation to the Offer and submission of this report, as may be necessary, to the Registrar of Companies, Rajasthan at Jaipur, Stock Exchange(s), SEBI, or any other regulatory authority and for the records to be maintained by the Company, Book Running Lead Manager in connection with the Offer and in accordance with applicable law. This statement is not to be used, referred to or distributed for any other purpose.



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S.C. BAPNA & ASSOCIATES
CHARTERED ACCOUNTANTS




305, Lodha Supremus, Next to Lodha Eternis,
End of 11th Road, Off Mahakali Caves Road,
Near Hotel Tunga International, Andheri (East)
Mumbai – 400 069, Maharashtra
Phone : +917738007589; Mail: mumbai@scbapna.in

We also consent to the inclusion of this letter as a part of “*Material Contracts and Documents for Inspection*” in connection with this Offer, which will be available for public for inspection.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

For S.C. Bapna & Associates,
Chartered Accountants
ICAI Firm Registration No.: 115649W


Deepika Nalwaya

Partner

Membership No: 407184

Place: Jaipur

Date: 21.07.2025

UDIN: 25407184BOENJN4151



CC:

Legal Counsel:

Dentons Link Legal
1102, 11th Floor, Tower 1, One International Center,
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Annexure-A

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 Laxmi India Finance Limited ("the Company") and its Equity Shareholders in a summary manner 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 fulfil. We do not express any opinion or provide any assurance as to whether the Company and its shareholders 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 his own tax consultant with respect to the tax implications arising out of their participation in the Offer of 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 investor to invest money or not to invest money based on this statement.

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

A. Special tax benefits available to the Company

The Statement of possible tax benefits enumerated below is as per the Income Tax Act, 1961 ('the Act') as amended from time to time and as applicable for the financial year 2025-26 relevant to assessment year 2026-27. 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 Offered under these Acts and Rules and the foreign trade policy.

1. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')/ 'IT Act'):

The Company has opted the New Regime Scheme in FY 2019-20 (AY 2020-21) and paying Income tax at Effective Rate: 25.168%. The concessional rate is subject to the company not availing any of the following deductions/exemptions under the provisions of the Act:

- (i) Section 10AA: Tax holiday available to units in a Special Economic Zone.
- (ii) Section 32(1) (iia)
- (iii) Additional depreciation; Section 32AD
- (iv) Investment allowance. Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses

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- (v) sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35: Expenditure on scientific research.
- (vi) Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- (vii) Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- (viii) Deduction under any provisions of Chapter VI-A except for the provisions of section 80JJAA or section 134 ix. 80M.
- (ix) Without 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 from clause i) to viii) above.
- (x) 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 from clause i) to viii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated October 2, 2019 and under section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable. Further, any carried forward MAT credit also cannot be claimed.

2. Accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of IT Act –

The Company is a Non-Banking Financial Company and is entitled to accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of the Act in computing its income under the head "Profits and gains of business or profession". As per the provisions of section 36(1)(viia) of the IT Act, the Company could claim a deduction of provision created for bad and doubtful debts in its books of accounts to the extent of five per cent of its gross total income (computed before making any deduction under this section and Chapter VI-A of the Act), subject to satisfaction of certain prescribed conditions.

3. Deductions from Gross Total Income: 80JJAA of IT Act-

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Special direct tax (Income Tax) benefits available to the Shareholders:

There are no special tax benefits available to the Shareholders for investing in the shares of the Company under the Act.

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

The Statement of possible tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017 ('CGST Act'), the Integrated Goods and Services Tax Act, 2017 ('IGST Act'), the Union Territory Goods and Services Tax Act, 2017 ('UTGST Act'), respective State Goods and Services Tax Act, 2017 ('SGST Act') (All these legislations collectively referred to as 'GST

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Legislation'), the Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy (collectively referred to as "Indirect Tax") as amended from time to time and as applicable for financial year 2025-26.

A. Special tax benefits available to the Company under Indirect Tax laws:

There are no special Indirect tax benefits are available to the Company under the GST Acts.

B. Special direct tax benefits available to the Shareholders

There are no special indirect tax benefits available to shareholders of the Company.

Notes:

1. *This Annexure sets out only the special tax benefits available to the Company and its shareholders under the Act as amended by the Finance Act applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India.*
2. *We have not considered the general tax benefits available to the Company or shareholders of the Company. The above Statement covers only certain possible special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.*
3. *The above is as per the Tax Laws as on date.*
4. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
5. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*
6. *Our comments are based on specific activities carried out by the Company*
7. *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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.*
8. *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 changes from time to time. We do not assume responsibility to update the views consequent to such changes.*



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