

STATEMENT OF SPECIAL TAX BEEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PRUDENT CORPORATE ADVISORY SERVICES LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

February 15, 2022

To,

The Board of Directors,
Prudent Corporate Advisory Services Limited,
"Prudent House" Panjra Pole Cross Road,
Nr. Polytechnic, Ambawadi, Ahmedabad.
Gujarat - 380006

Sub: Statement of possible Special Tax Benefits (the "Statement") available under the Direct and Indirect Tax laws to Prudent Corporate Advisory Services Limited (the "Company") and its Shareholders, prepared in accordance with the requirements under Para 9 (L) of Part A under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

We refer to the proposed offering of the shares of the Company. We enclose herewith the statement (the 'Annexure') showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian Direct and Indirect tax laws including the Income-tax Act, 1961 ("**the IT ACT**"), 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, as presently in force in India and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively, referred to as "Offer Documents") for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

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

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. The Annexure covers only possible special Direct and Indirect Tax benefits available and do not cover any general tax benefits available to the Company or its



shareholders. 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 initial public offering of equity shares (the "**Proposed Offer**") by the Company, particularly in view of the fact that certain recently enacted legislations may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither we are suggesting nor advising the investor to invest money based on this Statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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 possible special tax benefits have been/would be met with; or
- iii) The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the Proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration Number: 117365W

H. S. Subania

Hardik Sutaria
Partner
Membership No. 116642
Ahmedabad
Date: February 15, 2022
UDIN : 22116642ACJGRV5065



Annexure to The Statement of Special Tax Benefits available to Prudent Corporate Advisory Services Limited (the "Company") and its shareholders

The information provided below sets out the possible direct and indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the equity shares of the Company ("**Equity Shares**"), under the current tax laws presently in force in India.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, 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 IN THEIR PARTICULAR SITUATION.

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

A. Special Income-tax benefits to the Company

There are no special tax benefits available to the Company under the provisions of the Act including the proposed amendments in Finance Bill 2022.

B. Special Income-tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company under the provisions of the Act including the proposed amendments in Finance Bill 2022.

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

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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

A. Special Indirect Tax benefits to the Company

There are no special tax benefits available to the Company including the proposed amendments in Finance Bill 2022.

B. Special Indirect Tax benefits available to Shareholders

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

Note: We have not considered general tax benefits available to the Company or shareholders of the Company.

