

# MSKC & Associates LLP

(Formerly known as M S K C & Associates)

Chartered Accountants

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## STATEMENT OF SPECIAL TAX BENEFITS

To

### The Board of Directors

Jain Resource Recycling Limited  
(Formerly known as Jain Resource Recycling Private Limited)  
The Lattice, Old no 7/1, New No 20 4<sup>th</sup> Floor,  
Waddles Road, Kilpauk, Chennai,  
Tamil Nadu, India, 600 010.

**Sub: Statement of possible special tax benefits available to Jain Resource Recycling Limited (formerly known as Jain Resource Recycling Private Limited), its shareholders, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")**

1. We, M S K C & Associates LLP (formerly known as M S K C & Associates), Chartered Accountants ("We" or "Us" or "Our" or "M S K C" or "the Firm"), the statutory auditors of Jain Resource Recycling Limited (the "Company") hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under Income-tax Act, 1961 ('Act') presently in force in India viz. the Income-tax Act, 1961 ('Act'), the Income-tax Rules, 1962 ('Rules'), regulations, circulars and notifications issued thereon and possible special tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024, Foreign Trade Policy and Handbook of Procedures including the relevant rules, notifications and circulars issued there under, (collectively the "Taxation Laws"), as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders; identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company and its shareholders and, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and 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 face in the future, the Company and its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. 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.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders, and do not cover any general tax benefits available to them.
5. In respect of non-residents, the tax rates and the consequent taxation shall 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.
6. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are 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 distinct nature of the tax consequences and 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 proposed initial public offering of the equity shares of the Company and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.



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7. We do not express any opinion or provide any assurance whether:
  - The Company and its shareholders will continue to obtain these benefits in future;
  - The conditions prescribed for availing the benefits have been/would be met;
  - The revenue authorities/courts will concur with the views expressed herein.
8. We 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 (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. 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.
10. 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 have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
11. This Statement is addressed to Board of Directors and has been issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the draft red herring prospectus, and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K C & Associates LLP (Formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No. 001595S/S000168



**Geetha Jeyakumar**

Partner

Membership No. 029409

UDIN: 25029409BMMIMX9088

Place: Chennai

Date: March 29, 2025

Enclosed: As above



# JAIN RESOURCE RECYCLING LIMITED

(Formerly Known as Jain Resource Recycling Private Limited)



## EXHIBIT to the Statement of Possible Special Tax Benefits

### DIRECT TAXATION

This statement of possible special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per Schedule VI (Part A-9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 1961 (Act) as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force.

#### 1. Special Tax Benefits available to the Company in India under the Income Tax Act, 1961 ('the Act')

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus mandatory surcharge of 10% and cess of 4%) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.
- Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the year, for three assessment years including the assessment year relevant to the year in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from a Chartered Accountant (Form 10DA) on fulfilment of the conditions under the extant provisions of the Act.
- As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its Shareholders on or before one month prior to due date of filing of its Income-Tax return for the relevant year. Since the Company has investments in Indian subsidiaries, it may avail the above mentioned benefit under section 80M of the Act.

#### 2. Special Tax benefits available to the shareholders of the Company under the Act

- There are no special tax benefits available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act (arising from sale of equity shares of the Company).

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- Section 112A of the Act provides for concessional rate of tax at the rate of 12.5% on long term capital gain arising on transfer of listed equity shares originally introduced vide Finance Act, 2018 and subsequently amended by the Finance Act (No.2), 2024. . Any long term capital gain, exceeding INR 1,25,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 12.5% without giving effect to indexation. Further, the benefit of lower rate is extended in cases where STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.
- Section 111A of the Act provides for concessional rate of tax @ 20% in respect of short-term capital gains arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an Equity Share in a company or a unit of an equity-oriented fund wherein the transaction is exigible to STT.
- Post 01 April 2020, dividends are taxable in the hands of the shareholders. Any dividend income received by the shareholders would be subject to tax deduction at source by the company under section 194 @ 10%. However, in case of individual shareholders, this would apply only if dividend income exceeds INR 5,000 in any given year. Further, dividend income shall be taxable in the hands of the shareholders at the rates as applicable in their case.
- In respect of non-residents, the tax rates and the consequent taxation shall 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 shareholder has fiscal domicile.

## Indirect Taxation

This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Special Tax Benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2024-25, presently in force in India:

### 1. Special Indirect Tax Benefits available to the Company in India

Based on the information provided by the Management, we hereby state that no special tax benefits are available to the Company under the Indirect Tax regulations.

### 2. Special Indirect Tax Benefits available to the Shareholders of the Company

- Securities are considered neither 'goods' nor 'services' in terms of definition of goods under clause (52) of section 2 of CGST Act and the definition of services under clause (102) of the said section. Further, securities include 'shares' as per definition of securities under clause (h) of section 2 of Securities Contracts (Regulation) Act, 1956. This implies that purchase or sale of shares or securities per se is neither a supply of goods nor a supply of services. Therefore, a transaction in securities which involves disposal of securities is not a supply under GST and hence not taxable.

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- Hence apart from the above, the shareholders of the Company do not have any special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and Circulars issued there under.

## Notes:

- The benefits discussed above cover only possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the 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 changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this 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 this statement.
- This statement has been prepared solely in connection to proposed filing of Draft Red Herring Prospectus (hereinafter referred as "Offer Documents") to be filed by the holding Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies as applicable, in connection with the proposed Initial Public Offering of equity shares of the holding Company, as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI.

For and on behalf of the Board of Directors of  
**Jain Resource Recycling Limited**  
(formerly known as Jain Resource Recycling Private Limited)

  
Name: **HEMANT S JAIN**  
Designation: **DIRECTOR**  
Place: Chennai  
Date: March 29, 2025



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