



D. C. DHAREWA & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS
SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE TAX
LAWS IN INDIA

To,
The Board of Directors
Western Carriers (India) Limited
206, Central Plaza,
2/6, Sarat Bose Road
2nd Floor
Kolkata – 700020

Dear Sirs/Madams,

Sub: Statement of possible special tax benefit (the "Statement") available to Western Carriers (India) Limited (the "Company"), and its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations")

1. We, D.C. DHAREWA & CO., Chartered Accountants, hereby confirm that the enclosed **Annexure A (the "Statement")**, prepared by the Company, provides the possible special tax benefits available to the Company, and to its shareholders under direct tax and indirect tax laws presently in force in India, including:
 - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act (No.2), 2024 applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26;
 - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), applicable for the Financial Year 2024-25, including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, each as amended, i.e. applicable for financial year 2024-25 (unless otherwise specified).
2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.
3. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Annexure A. Any benefits under the taxation laws other than those specified in Annexure A, 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 mentioned in the **Annexure A** have not been examined and covered by this statement.



4. The benefits discussed in the enclosed Statement are not exhaustive. The 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 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 Offer.
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. We do not express any opinion or provide any assurance as to whether:
 - the Company or its shareholders will continue to obtain these benefits in the future; or
 - the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
7. 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.
8. We have conducted our review 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. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.
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. This Statement is addressed to the Board of Directors and issued at the specific request of the Company. The enclosed Annexure A to this Statement is intended solely for your information and for inclusion in the red herring prospectus, the 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 our 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.

Yours faithfully,

For D.C. Dharewa & Co.

Chartered Accountants

ICAI Firm Registration No: 322617E

D.C. Dharewa

Proprietor

Membership Number: 53838

Place: Kolkata

UDIN: 24053838BKFAVO3619

Date: 29.08.2024



Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure 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 mentioned in this Annexure have not been reviewed and covered by this statement.

1. Special Direct tax benefits available to the Company, under the Act

1.1 Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. assessment year April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

- (i) Deduction under the provisions of section 10AA; (deductions in respect of newly established Units in Special Economic Zones);
- (ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation);
- (iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in notified backward areas in certain states, Investment deposit account, site restoration fund);
- (iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
- (v) Deduction under section 35AD or section 35CCC (Deduction in respect of expenditure on specified business, expenditure on agricultural extension project);
- (vi) Deduction under section 35CCD (Expenditure on skill development project)
- (vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M";
- (viii) 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 vii) above; and
- (ix) without 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 vii) above.



In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available.

The option needs to be exercised on or before the due date of filing the tax return in the prescribed manner. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has opted to apply section 115BAA of the Act for the assessment years 2020-2021 and onwards.

1.2 Deductions from the Gross Total Income – Section 80JJAA of the Act – Deduction in respect of employment of new employees

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

1.3 Deductions from the Gross Total Income – Section 80M of the Act – Deduction in respect of certain intercorporate dividends

As per the provisions of Section 80M of the Act, dividends 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 the due date of filing of its Income-tax return for the relevant year. Since the Company has investments in Indian subsidiary (until May 9, 2023) and associates, it may avail the above-mentioned benefit under Section 80M of the Act.

2. Special Indirect tax benefits available to the Shareholders, under the Act

2.1 Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the 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 and every artificial juridical person, surcharge on such tax would be restricted to 15%, irrespective of the amount of total income.

2.2 Section 112A of the Act provides for concessional tax rate of 12.5% (plus applicable surcharge and cess) on long-term capital gains (exceeding Rs. 1,25,000) arising from the transfer of equity shares or units of an equity-oriented fund or units of a business trust, if Security Transaction Tax ('STT') has been paid on both acquisition and transfer of such shares / units and subject to fulfilment of other prescribed conditions (including Notification No. 60/2018/F.No.370142/9/2017-TPL dated October 1, 2018). The benefit of foreign currency exchange difference and indexation, as provided under the first and second proviso to section 48 of the Act, shall not be applicable for computing long-term capital gains taxable under section 112A of the Act. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.



- 2.3 As per the provisions of section 111A of the Act, short-term capital gains arising from transfer of equity shares in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 20% (plus applicable surcharge and cess, if any).
- 2.4 In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to benefits, if any, available under the applicable Double Taxation Avoidance Agreement read with the provisions of Multilateral Instruments, if any, between India and the country in which the non-resident has fiscal domicile.
- 2.5 Where the gains arising on transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains of Business or Profession" and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.
- 2.6 As regards the shareholders that are Mutual Funds, under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.
- 2.7 Finance Act, 2023 had amended section 115BAC of the Act to provide that with effect from FY 2023-24 relevant to AY 2024-25, Individuals, HUF, Association of Persons (other than a co-operative society), Body of Individuals and Artificial Juridical Person will be taxed on its total income at the reduced tax rates ('New Tax Regime') [as reduced further by Finance (No. 2) Act 2024 with some additional deductions with effect from AY 2025-26]. The income would however have to be computed without claiming prescribed deductions or exemptions.
- 2.8 No interest on deferment of advance tax instalment with respect to dividend income. The Finance Act 2020 amended the manner of taxation of dividend income by abolishing dividend distribution tax and restoring classical system of dividend taxation (i.e., taxation of dividend income in the hands of the shareholders). Considering the nature of income, it is not possible for taxpayer to accurately determine the advance tax liability on dividend income and therefore, the proviso to section 234C(1) of the Act provides that no interest shall be levied under section 234C of the Act, if the shortfall in payment of advance tax instalment is on account of underestimation or failure to estimate dividend income. The amendment was introduced by Finance Act 2021 and is applicable from 1 April 2021.
- 2.9 Surcharge on all long-term capital gains capped at 15%. The Finance Act 2022 has capped the surcharge on LTCG on sale of unlisted equity shares to 15% from erstwhile graded surcharge up to 37%.
- 2.10 Surcharge on personal income capped at 25% for individuals opting concessional tax regime under section 115BAC. The Finance Act 2023 has capped surcharge on total income of individual assessee's opting for concessional tax regime under section 115BAC to 25% (instead of earlier surcharge of 37% for individuals having total income exceeding Rs. 5 crores).

Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.



3. 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"), including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 ("FTDR Act"), applicable for the Financial Year 2024-25, presently in force in India

3.1 Special tax benefits available to the Company

- Exemption from payment of tax on services by way of giving on hire a means of transportation of goods to a goods transport agency.

The Company is entitled to avail exemption on charges collected from goods transport agency ('GTA') for giving them on hire a means of transportation vide Entry No. 23(b) of the Notification No. 9/2017-Integrated Tax (Rate) dated June 28, 2017, as amended from time to time.

- Exemption from payment of tax on interest income earned from bank deposits and other non-current investments

The Company is entitled to avail exemption on interest income earned from bank deposits and other non-current investments in terms of Entry No. 28(a) of the Notification No. 9/2017-Integrated Tax (Rate) dated June 28, 2017, as amended from time to time.

- Liability for payment of tax to be borne by recipient of services in certain cases

Entry No. 9 of the Notification No. 8/2017-Integrated Tax (Rate) dated June 28, 2017, as amended from time to time, provides two different rates for supply of services by GTA i.e. 5% and 12%.

Further, Entry No. 2 of Notification No. 10/2017-Integrated Tax (Rate) dated June 28, 2017, as amended from time to time, provides that liability for payment of tax shall be borne by the recipient of services in case where: -

- Supplier has not paid IGST at the rate of 12%; and
- Recipient of such services is falling under the following category of specified recipients:

(a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948);or

(b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or

(c) any co-operative society established by or under any law; or

(d) any person registered under the CGST Act or the IGST Act or the State GST Act or the UT GST Act; or

(e) any body corporate established by or under any law; or



(f) any partnership firm whether registered or not under any law including association of persons; or

(g) any casual taxable person

3.2 Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company

Notes:

- i. The above Statement of Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the tax laws mentioned above.
- ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- iii. This Statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- iv. 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.
- v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

