

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
International Gemmological Institute (India) Limited
702, The Capital, G Block BKC,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra 400051

Sub: Statement of possible special tax benefits available to International Gemmological Institute (India) Limited and its shareholders under the direct and indirect tax laws, 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 A & Associates ("**the Firm**"), Chartered Accountants, the statutory auditors of International Gemmological Institute (India) 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 direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, 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, The Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the "**Taxation Laws**"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance (No. 2) Act, 2024 as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders. There is no Material Subsidiary of the Company 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, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. 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 such conditions for availing special tax benefits.
2. This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the 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, 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. 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.
4. 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 in the proposed initial public offering of equity shares of the Company (the 'Offer') and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this 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.
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. 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.
7. We do not express any opinion or provide any assurance on 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; and
 - The revenue authorities/courts will concur with the views expressed herein.
8. The contents of the enclosed statement are based on the 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.
9. 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.
10. This statement is addressed to the Board of Directors and issued at specific request of the Company. The enclosed Annexure 1 & Annexure 2 to this Statement is intended solely for your information and for inclusion in the draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the Offer, 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.

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Jiger Saiya
Partner
Membership No: 116349
UDIN: 24116349BKFZIX6758

Place: Mumbai
Date : August 22, 2024
Enclosure: Annexure 1 & Annexure 2



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INTERNATIONAL GEMMOLOGICAL INSTITUTE (INDIA) LIMITED

Registered Office:

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Tel: +91 22 4035 2550
Email: india@igi.org
CIN : U74999MH1999PLC118476

ANNEXURE-1

Statement of possible special tax benefits available to International Gemmological Institute (India) Limited ('the Company') and its Shareholders under the Income Tax Act, 1961

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 paragraph (9)(L) of Part A of Schedule VI 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 as amended by the Finance (No. 2) 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 Income tax benefits available to the Company under the Income-tax Act, 1961 ('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 applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions/exemptions or set-off of losses and depreciation provided under clause (ii) and clause (iii) of sub-section (2) of section 115BAA of the Act and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per section 115BAA, provisions of section 115JB, i.e., Minimum Alternate Tax ('MAT') would not be applicable on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act, 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 has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2019-20 relevant to the Assessment Year 2020-21 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 relevant to the Assessment Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.
- 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 previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the

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Company wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant 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 or a business trust, 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 foreign company, it may avail the above-mentioned benefit under Section 80M of the Act.

2. Special direct tax benefits available to the Shareholders of 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 (arising from sale of equity shares of the Company).
- Section 112A of the Act provides for concessional rate of tax on transfer of equity shares with effect from April 1, 2019 (i.e. Assessment Year 2019-20) subject to conditions. Any income, 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 an Indian 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 10% without giving effect to indexation if the transfer takes place before 23 July, 2024. For transfers which take place after 23 July, 2024, the rate of tax is increased from 10% to 12.5% without giving effect to indexation.

Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) 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 STT is paid on both acquisition and transfer provided the transfer takes place before 23 July, 2024. For transfers which take place after 23 July, 2024, the rate of tax is increased from 15% to 20%.

- Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by the company under section 194 @ 10%, subject to compliance of other conditions. However, in case of individual shareholders, this would apply only if dividend income exceeds INR 5,000. 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.



Notes:

1. The benefits discussed above cover only possible special tax benefits under the Act, available to the Company and its Shareholders and do not cover any general tax benefits or any indirect tax law benefits or benefit under any other law. 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.
2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
3. This Annexure 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 arising out of their participation in the Proposed IPO.
4. The views expressed in this annexure are based on the facts and assumptions as indicated in the annexure. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. The 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.

For International Gemmological Institute (India) Limited

Name: Easwar Iyer
Designation: Chief Financial Officer

Place: Mumbai
Date: August 22, 2024

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CIN : U74999MH1999PLC118476

ANNEXURE-2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO INTERNATIONAL GEMMOLOGICAL INSTITUTE (INDIA) LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER INDIRECT TAX LAWS AS MENTIONED BELOW

Outlined below are the special tax benefits available to the Company, and its Shareholders under 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, and respective State Goods and Services Tax Act, 2017, as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 applicable for the Financial Year 2024-25, presently in force in India (collectively referred to as "Indirect Tax Laws"). This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").

A) TO THE COMPANY

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 Laws.

B) TO THE SHAREHOLDERS

Based on the information provided by the management, we hereby state that no special tax benefits are available to the Shareholders of the Company under the Indirect Tax Laws.

Notes:

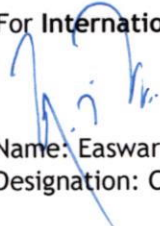
1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017, and relevant rules made thereunder ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 applicable for the Financial Year 2024-25, presently in force in India.
2. Our comments are based on specific activities carried out by the Company. Any variation in the understanding could require our comments to be suitably modified.
3. Based on the information provided to us, we understand that the Company has not claimed any exemption or benefits or incentives under the indirect tax laws;
4. This Annexure 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, the changing tax laws, each investor is advised to consult his/her own tax advisor with respect to specific tax implications arising out of their participation in the Proposed IPO.

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5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
6. These comments are based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, applicable for the Financial Year 2024-25, presently in force in India.
7. 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.

For International Gemmological Institute (India) Limited


Name: Easwar Iyer
Designation: Chief Financial Officer

Place: Mumbai
Date: August 22, 2024

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