

# AGGARWAL & RAMPAL

CHARTERED ACCOUNTANTS

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## STATEMENT OF SPECIAL TAX BENEFITS

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

Date:

To,  
The Board of Directors  
Datasoft Computer Services Limited  
(Formerly known as Datasoft Computer Services Private Limited)  
2<sup>nd</sup> Floor, Plot no-13, Parmesh Corporate Tower,  
Karkardooma Community Centre,

New Delhi-110092

Dear Sir/Madam,

#### Statement of Special Tax Benefits available to Datasoft Computer Services Limited (formerly known as Datasoft Computer Services Private Limited) and its shareholders under the Indian tax laws

We hereby confirm that the annexures enclosed as Annexure I and II, prepared by Datasoft Computer Services Limited (formerly known as Datasoft Computer Services Private Limited) ('the Company'), provides the special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), presently in force in India (together, the "Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated in the annexures 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 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 offer of equity shares of the Company ("Offer").
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these special tax benefits in future;
  - ii) the conditions prescribed for availing the special tax have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring



Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

For Aggarwal & Rampal

Chartered Accountants

ICAI Firm registration Number: 003072N



Vinay Aggarwal

(Partner)

Membership No. 082045

Place: New Delhi

UDIN: 24082045BKNQYA9881

Date: November 07, 2024

*Vinay Aggarwal*  
7/11/24

## ANNEXURE I

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

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 ('the Act') as amended by Finance Act, 2023 i.e. applicable for the Financial Year 2024-25 relevant to Assessment Year 2025-26.

#### 1. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company while computing its total taxable income, after fulfilling conditions, as per the applicable provisions of the Act:

##### 1.1 Lower Corporate tax rate under Section 115BAA of the Act

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

##### 1.2 Deduction under section 35D of the Act

The Company is entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under section 35D of the Act, subject to the limit specified in section 35D (3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation. The aforesaid deduction is not available while computing MAT liability of the Company under Section 115JB of the Act. In accordance with and subject to fulfilment of conditions as laid out under Section 35D of the Act, the Company has an option to claim such expenses as allowable expenditure in the computation of taxable income while filing appropriate tax returns in India.

##### 1.3 Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961

Pursuant to the amendment made by the Finance Act, 2020, dividend received by a shareholder on or after 1 April 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct tax at source ('TDS') at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends from financial year 2020-21 and onwards.

Subject to the fulfilment of prescribed conditions, the section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or



foreign company or business trust which does not exceed the amount of dividend distributed by it on or before the due date. The 'due date' means the date one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act.

Since the company has investments in India, it can claim the above-mentioned deduction, subject to other conditions prescribed under section 80M of the Act.

## **2. DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

### **2.1 Taxability of dividend income in hands of shareholders**

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in 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 Taxability of gain/ loss arising from sale of shares**

#### Long-term capital gain

Section 112A of the Act provides for concessional tax rate of 10% (plus applicable surcharge and cess) on long-term capital gains (exceeding Rs. 1,00,000) 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 fulfillment of other prescribed conditions (including Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 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.

Section 112 of the Act provides for taxation of long-term capital gains, resulting on transfer of interalia, listed shares of the company (other than those covered under section 112A), which shall be lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit
- b. 10% (plus applicable surcharge and cess) without indexation benefit

In case of non-resident (not being a company) or a foreign company, the amount of income tax on long term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 10% without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

#### Short-term capital gain

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 15% (plus applicable surcharge and cess, if any)

**Notes:**

1. *The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company, and its shareholders under the current tax laws presently in force in India.*
2. *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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
3. *This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The subscribers of the shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*
4. *In respect of non-residents, the tax rates and the consequent taxation mentioned above 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.*
5. *The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law. The 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.*

The 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.

For and on the behalf of

Datasoft Computer Services Limited

(formerly known as Datasoft Computer Services Private Limited)

  
Mamta Garg  
Chief Financial Officer

Place: New Delhi

Date: November 07, 2024

## ANNEXURE II

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

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under GST Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares 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.

#### A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is engaged in the business of services relating to admission to, or conduct of examination by, such institution; upto higher secondary: Provided that nothing contained in entry shall apply to an educational institution other than an institution providing services by way of pre-school education up to higher secondary school equivalent which is covered under Nil rate in the Notification no 12/2017-Central Tax (Rate) dated 28<sup>th</sup> June, 2017.

#### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the GST Laws.

**Note:**

1. *All the above benefits are as per the current Tax Laws and will be available only to the sole/ first name holder where the shares are held by joint holders.*
2. *The above statement covers only certain relevant Indirect Tax Law benefits and does not cover any Direct Tax Law benefits or benefit under any other law.*

The 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.

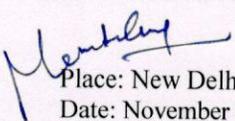
For and on behalf of

Datasoft Computer Services Limited

(formerly known as Datasoft Computer Services Private Limited)

Mamta Garg

Chief Financial Officer

  
Place: New Delhi

Date: November 07, 2024