

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Asston Pharmaceuticals Limited

(formerly known as Asston Pharmaceuticals Private Limited)

4th Floor, Office No. A-431 Balaji Bhavan,
Plot No 42A Sector-11 CBD Belapur,
Navi Mumbai, Thane - 400 614,
Maharashtra, India

Dear Sir,

Sub: Statement of Possible Special Tax Benefits available to Asston Pharmaceutical Limited ('the Company') and its shareholders prepared in accordance with the requirements in Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("SEBI ICDR Regulations")

We refer to proposed issue of the shares **Asston Pharmaceuticals Limited** ('the Company') states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, 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") presently in force in India. 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 or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 offering of Equity shares ("the Issue") by the Company.

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 future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- the revenue authorities/courts will concur with the views expressed herein.

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.



Doshi Doshi & Co

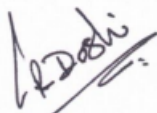
Chartered Accountants

A908, 9th Floor, Venus Stratum,
West Wing, Venus Grounds,
Nehrunagar, Ahmedabad - 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Doshi Doshi & Co.,
Chartered Accountants
Firm Reg No: 153683W
Peer Review Certificate No.: 014874



Chintan R. Doshi
Partner

Membership Number: 158931
UDIN: 25158931BMIFPH5795



Place: Ahmedabad
Date: December 27th, 2024

Enclosure: Annexure A

ANNEXURE A

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

Outlined below are the special tax benefits available to **Asston Pharmaceuticals Limited** (the "Company") and its Shareholders under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2024 read with relevant rules, circular and notifications issued from time to time, applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

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 different interpretation on the benefits, which an investor can avail.

SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE ACT")

a. Special tax benefits available to the Company

Section 115BAA of the Act, as inserted vide the Taxation Laws (Amendment) Act, 2019, provides that domestic company has to 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 or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. As 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, 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, for three assessment years including the assessment year relevant in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Shareholders of the Company are not entitled to any special tax benefits under the Act, However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.



Doshi Doshi & Co

Chartered Accountants

A908, 9th Floor, Venus Stratum,
West Wing, Venus Grounds,
Nehrunagar, Ahmedabad - 380015
Phone :- +91 91674 04303
Email :- chintan@ddco.in

- Section 112A of the Act provides for concessional rate of tax on long term capital gain arising on transfer of equity shares, the amount of income-tax calculated on such long-term capital gains exceeding one lakh twenty-five thousand rupees—
 - (a) on long-term capital gains at the rate of ten per cent for any transfer which takes place before the 23rd day of July, 2024; and
 - (b) on long-term capital gains, at the rate of twelve and one-half per cent for any transfer which takes place on or after the 23rd day of July, 2024.
- Section 111A of the Act provides for concessional rate of tax, the tax payable by the assessee on the total income shall be the aggregate of—
 - (i) the amount of income-tax calculated on such short-term capital gains—
 - (a) at the rate of fifteen per cent for any transfer which takes place before the 23rd day of July, 2024; and
 - (b) at the rate of twenty per cent for any transfer which takes place on or after the 23rd day of July, 2024.

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.

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

The Company is primarily engaged in the business of manufacture and sale of pharmaceutical and nutraceutical products. The Company sells its products in domestic as well as global markets, majority of sales is made from exports. The Company has active GST registered under 01 State only i.e., Maharashtra.

A. Special tax benefits available to the Company

Brief framework is as below -

- A taxable supply includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration in the course or furtherance of business. Such supply is chargeable to tax at applicable rates with the standard rate being 18%.
- GST is not chargeable on exempt supplies. Exempt supplies are those which either attract NIL tax rate or have been made exempt by way of notification. Taxpayers are not entitled to claim Input Tax Credit on exempt supplies.

Further, the exporter has the option to -

- supply goods or services under bond or Letter of Undertaking (LUT) without payment of tax and claim refund of unutilized ITC; or
- Supply goods or services on payment of tax and claim refund of such tax paid.



B. Special tax benefits available to the shareholders of the Company

There are no special tax benefits available to the shareholders under the indirect taxes.

Note:

- 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. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- 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.
- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders /investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.
- 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

