



**STATEMENT OF TAX BENEFITS**

December 07, 2024

To,  
**The Board of Directors**  
**Stallion India Fluorochemicals Limited**  
2, A wing, Knox Plaza, Mindspace  
Off Malad link road, Malad (West),  
Mumbai-400064

**Sarathi Capital Advisors Private Limited**  
401, 4<sup>th</sup> Floor, Manek Plaza, 167, Vidyanagari Marg,  
Kalina, Santacruz (E), Mumbai-400098

(Sarathi Capital Advisors Private Limited referred to as the “**Lead Manager**”)

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Stallion India Fluorochemicals Limited (the “Company” and such offering, the “Issue”)**

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We report that the enclosed statement in **Annexure A**, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘**Act**’), as amended by the Finance (No. 2) Act, 2024, read with rules, circulars and notifications issued thereunder (Act) i.e. applicable for FY 2024-25 and AY 2025-26, and other direct tax laws 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 statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. 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 Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Red Herring Prospectus, Red Herring

Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange(s)/ 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 capitalised and not defined herein shall have the same meaning as ascribed to them in the Red Herring Prospectus.

**For Mittal & Associates,  
Chartered Accountants**  
ICAI Firm Registration No.: 106456W

**Hemant R Bohra**  
**Partner**  
Membership No: 165667  
Place: Mumbai  
Date: **December 07, 2024**  
UDIN: [24165667BKEZLW7564](#)

## **ANNEXURE A**

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

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance (No. 2) Act, 2024 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 UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

There are no special tax benefits available to the Company.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

1. Section 112A of the Act provides for concessional tax rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding ₹ 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 1 October 2018).
2. Section 111A of the Act provides for concessional rate of tax @ 20% 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.
3. In respect of non-resident shareholders, 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.
4. 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 would be restricted to 15%, irrespective of the amount of dividend.
5. Separately, 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 ₹ 5,000. Further, dividend income is now taxable in the hands of the shareholders.

#### **Notes:**

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.

2. The above is as per the Tax Laws as on date
  
3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
  
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.