

Todarwal & Todarwal LLP

Chartered Accountants

STATEMENT OF SPECIAL TAX BENEFITS

Statement of Possible Special Tax Benefits to the Company, its Material Subsidiaries and its Shareholders

Date: 21st July 2025

To,

The Board of Directors

Lloyds Enterprises Limited
A2, 2nd Floor, Madhu Estate
Pandurang Budhkar Marg
Lower Parel Mumbai 400013
Maharashtra India

Dear Sir/Ma'am,

Re: Proposed rights issue of equity shares of face value of ₹1 each (the "Equity Shares") by Lloyds Enterprises Limited (the "Company") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and other applicable laws (the "Issue")

We have been requested by the Company to issue a report on the Special Tax Benefits available to the Company, (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and its shareholders attached for inclusion in the Draft Letter of Offer & Letter of Offer in connection with the proposed Rights Issue of Equity, Shares of the Company (the "Issue").

We report that the enclosed statement in the **Annexure I**, states the current position of Special Tax Benefits available to the Company, and the Shareholders of the Company as per the provisions of Income Tax Act, 1961 ("the **IT Act**") and the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act ("SGST") read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (herein collectively referred as "**Indirect Tax Laws**") as amended by Finance Act, 2025, i.e. applicable for the Assessment Year 2026-27 relevant to the Financial Year 2025-26 for inclusion in the Draft Letter of Offer ("DLOF") & Letter of Offer ("LOF") for the issue of rights shares.

These possible Special Tax Benefits are dependent on the Company and the Shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax Laws. Hence, the ability of the Company and the Shareholders of the Company to derive these Possible Special Tax Benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the Shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own Tax Consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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ICAI Regn.: WI00231 | LLP Regn: AAJ-9964

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

- i. The Company or the Shareholders of the Company will continue to obtain these benefits in future;
- ii. The conditions prescribed for availing the benefits have been/would be met;
- iii. There venue authorities/courts will concur with the views expressed herein

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The statement is intended solely for information and the inclusion in the Draft Letter of Offer & Letter of Offer in connection with the Rights Issue of Equity Shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation:

Our view expressed herein is based on the facts and assumptions indicated to us. No assurance is given that the Revenue Authority / Courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company, and any other person in respect of this Statement, except as per applicable law.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”). We also 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*,’ issued by the ICAI.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer (“LOF”) (“**Issue Documents**”) of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Issue Documents and in any other material used in connection with the Issue.

We confirm that we will immediately communicate any changes in writing in the above information to the legal counsel to the Issue (“**Legal Counsel**”) until the date when the Equity Shares that are allotted and transferred in the Issue, commence trading on the Stock Exchanges. In the absence of any such communication from the Legal Counsel to the Issue, you can assume that there is no change to the above information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Issue.

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This consent letter is for information and for inclusion (in part or in full) in the Issue Documents and may be relied upon by the Legal Counsel in relation to the Issue.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours faithfully,

**For and on behalf of Todarwal and Todarwal
Chartered Accountants**

Firm Registration Number: W100231

Todarwal

Kunal Todarwal

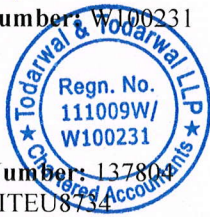
Partner

ICAI Membership Number: 137804

UDIN: 25137804BMITEU8734

Date: 21st July 2025

Place: Mumbai



Encl: As above

CC:

Legal Counsel to the Issue

Rajani Associates

Advocates and Solicitors

204-207 Krishna Chambers

59 New Marine Lines

Mumbai 400020

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Annexure 1

STATEMENT OF SPECIAL TAX BENEFITS

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO LLOYDS ENTERPRISES LIMITED ("THE COMPANY"), MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, material subsidiaries and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company, our material subsidiaries and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, material subsidiaries and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, material subsidiaries and the Shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview 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 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.

Outlined below are the special tax benefits available to Lloyds Enterprises Limited (the "**Company**") and its Shareholders under The Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2025 applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India.

I. Under IT Act

A) Special tax benefits available to the Company and subsidiaries

1. Provision of section 115BAA of the Act- Lower corporate tax rates on income of domestic companies.

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from FY 2021-22 relevant to AY 2022-23 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the Company not availing any of the following specified tax exemptions/incentives under the Act:

- ▶ Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
- ▶ Deductions available under the Chapter VI-A except under section 80JJAA and section 80M;
- ▶ Deduction u/s 32(1)(ia): Additional Depreciation;
- ▶ Deduction u/s 32AD, 33AB, 33ABA: Investment allowance, Investment deposit account, Site restoration fund)
- ▶ Deduction u/s 35AD or 35CCC: Deduction for capital expenditure incurred on specified businesses, agricultural extension project;
- ▶ Deduction u/s 35CCD: Expenditure on skill development
- ▶ Deduction under certain sub-sections/clauses of Section 35: Expenditure on scientific research.
- ▶ No 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 above.

The total income of a Company availing the concessional rate of 22% is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

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The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Based on the information provided by the management and representation given:

- We understand that the Company has opted for the lower corporate tax with effect from Financial Year 2021-2022 onwards.
- Lloyds Enterprises Ltd. which has opted benefit available U/s. 115BAA i.e. the reduced tax liability @ 22% (exclusive of SC and Cess).
- Other subsidiaries M/s. Lloyds Realty Developers Ltd. (only corporate entities) have not opted the benefit available U/s. 115BAA i.e. the reduced tax liability @ 22% (exclusive of SC and Cess) as on the date of this certificate and M/s. Lloyds Engineering Works Ltd. (only corporate entities) have opted the benefit available u/s 115BAA i.e. the reduced tax liability @ 22% (exclusive of SC and Cess) as on the date of this certificate.

2. Deduction in respect of employment of new employees under section 80JJAA of the ITA

As per the Section 80JJAA of the ITA, an assessee subject to tax audit under section 44AB of the ITA, is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment year including the assessment year relevant to the previous year in which such employment is provided, subject to the fulfilment of prescribed conditions therein.

The Company is eligible for a deduction under section 80JJAA of the IT for the A.Y. 2025-26 but will not be availing the benefit.

3. Deduction in respect of certain inter-corporate dividends under section 80M of the ITA.

As per Section 80M of the ITA, where domestic companies have declared dividend and are also in receipt of the dividend from another domestic company or a foreign company or a business trust, deduction is allowed with respect to the dividend received as long as the same is distributed as dividend one month prior to the due date of furnishing the return of income under sub-section (1) of section 139 of the ITA.

The deduction under section 80M is available even if domestic companies opt for concessional tax rate under section 115BAA of the ITA.

The Company is eligible to avail deduction under section 80M. The Company has availed the benefits in AY 2024 - 25. In our opinion, the Company may avail the benefit of Deduction under Section 80M of the IT for the A.Y. 2025-26.

B) Special tax benefits available to the Shareholders of the Company.

Dividend Income earned by the shareholders would be taxable in their hands at the applicable rates. However, 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, maximum rate of surcharged would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section 80M of the ITA would be available on fulfilling the conditions as mentioned above.

There are no Special Tax Benefit available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. 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 as 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 date for furnishing the return of income under sub-section (1) of section 139.

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II. Under the Indirect Tax Laws

The Statement of possible tax benefits enumerated below is per the Central Goods and Services Tax Act, 2017 ('CGST Act'), the Integrated Goods and Services Tax Act, 2017 ('IGST Act'), the Union Territory Goods and Services Tax Act, 2017 ('UTGST Act'), respective State Goods and Services Tax Act, 2017 ('SGST Act') (all these legislations collectively referred to as 'GST Legislation'), the Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2023 (collectively referred to as "Indirect Tax") as amended from time to time and as applicable for FY 2023-24.

A. Special Indirect Tax Benefit available to the Company

i. Benefit under the Foreign Trade Policy 2023

There are no special indirect tax benefits available to the Company under the Foreign Trade Policy 2023.

ii. Benefit of exemption on import of goods under Section 25 of the Customs Act

As per section 25 of the Customs Act, the Central Government is empowered to exempt whole or part of customs duty leviable on import of goods. The Company is not engaged in any import activities and thus not availing any such exemption benefit.

iii. Benefits on export of services under the GST Laws

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. The Company is not engaged in any export activities and thus not availing any such refund of ITC.

B. Special Indirect Tax Benefit available to the shareholders

There are no special indirect tax benefits available to the shareholders of the Company by the virtue of their investment in the Company.

Notes:

1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2025 read with relevant rules, circulars and notifications applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India.
2. This Annexure covers certain relevant direct tax law benefits and indirect tax law benefits or benefits under any other law.
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 Issue.
4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
5. No assurance is provided 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 updating the views consequent to such changes.

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6. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, 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.

This certificate is issued for the purpose of Rights issue and should not be used for general applications. Any use beyond its intended scope requires prior written consent from the issuing authority