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STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
SGS Teknics Manufacturing Private Limited ("SGS")
A-3 Infocity, Sector-34,
Gurgaon, Haryana, 122001

Date: 08 May 2022

Subject: Statement of possible special tax benefits ("the Statement") available to SGS Teknics Manufacturing Private Limited ("SGS") in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations") in connection with the proposed Initial Public Offer of equity shares ("Proposed Offer") of Syrma SGS Technology Limited [(the Holding Company of SGS) ("Company")]

This report is issued in accordance with the terms of our engagement letter dated 03 May 2022.

We hereby report that the enclosed Annexure I and Annexure II prepared by SGS and initialed by us for identification purpose only, states the possible special tax benefits available to SGS under direct and indirect tax laws (together "the Tax Laws"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on SGS fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of SGS to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the SGS may face in the future and accordingly, SGS may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to SGS are not exhaustive and do not cover any general tax benefits available to SGS. We wish to highlight that the distinction between "general" and "special" tax benefits is not defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to the fulfillment of certain conditions as per the applicable tax laws. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of SGS. We were informed that the 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 of the Company comprising fresh issue of equity shares (the "Proposed Offer")

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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 possible special tax benefits, which an investor can avail. Neither we are suggesting or advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

We 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.

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

- i) SGS will continue to obtain these possible special tax benefits in future; or
- ii) The conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

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


Our views expressed herein are based on the facts and assumptions indicated to us. 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. We shall not be liable to SGS 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 any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For B S R & Co. LLP

Chartered Accountants

ICAI firm registration number: 101248W/W-100022



Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN: 22505121AIP0UD1679

Place: Gurugram

Date: 08 May 2022

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cc.

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ANNEXURE I

#	Details of Tax Laws
1.	Income Tax Act, 1961 and Income Tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Customs Act, 1962 and Customs Tariff Act, 1975
6.	The Foreign Trade Policy 2015-2020

For SGS Teknics Mfg. Pvt. Ltd.
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KUMAR PANT
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Authorised Signatory

For SGS Teknics Mfg. Pvt. Ltd.

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ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS ("TAX LAWS") IN INDIA

Outlined below are the possible special tax benefits available to the Company under the Tax Laws in force in India. These possible special tax benefits are dependent on the Company fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. Direct taxation

The Company is neither eligible nor availing any special corporate tax benefits under the Tax Laws identified in Annexure I above.

B. Indirect taxation

The Company is availing the following special benefits under Indirect Taxes:

- a. The Company is entitled for reimbursement of 25% of Capex (Capital -Expenditure) investment in non SEZ area and reimbursement of CVD/ Excise on capital equipment under the Modified Special Incentive Package Scheme (M - SIPS).
- b. The Company is entitled to zero rated benefit on the goods and services exported by them i.e., supply of goods and services without payment of GST under the cover of Letter of Undertaking ('LUT').
- c. The Company is entitled for exemption from the whole of the duty of customs and the additional duty, leviable under the Customs Tariff Act, 1975, for manufacture and development of electronics hardware and software for export by an Electronic Hardware Technology Park (EHTP) unit.

NOTES:

1. The above is as per the current tax laws, as amended by the Finance Act, 2022.
2. 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 of the Company.
3. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company.
5. 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

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6. 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 ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.

For SGS Teknics Manufacturing Pvt. Ltd.
For SGS Teknics Mfg. Pvt. Ltd.

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Authorized Signatory

Place: Gurgaon
Date: 08 May 2022

For SGS Teknics Mfg. Pvt. Ltd.

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