

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

**The Board of Directors
Suraksha Diagnostic Limited
(Formerly known as Suraksha Diagnostic Private Limited)**
Plot No DG-12/1, Action Area 1D,
Premises No 02-0327,
New Town, Rajarhat,
Kolkata, West Bengal, India, 700156

Dear Sir/Madam,

Sub: Statement of possible special tax benefits available to Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited) (the “Issuer” or the “Company”), and to its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”)

1. We, M S K A & Associates (“the Firm”), Chartered Accountants, the statutory auditors of **Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)** (the “Company”) hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including Income-tax Act, 1961 (‘Act’), the Income-tax Rules, 1962, (‘Rules’), 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, the Customs Act, 1962 and the Customs Tariff Act, 1975 and the Foreign Trade Policy 2023, each as amended (collectively the “Indian Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under the Indian Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. 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.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.
5. 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 has fiscal domicile.
6. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated 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 distinct 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 proposed initial public offering of equity shares of the Company (the "Offer") and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
7. We do not express any opinion or provide any assurance whether:
 - The Company and its shareholders will continue to obtain these benefits in future;
 - The conditions prescribed for availing the benefits have been/would be met; and
 - The revenue authorities/courts will concur with the views expressed herein.
8. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. 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.

10. 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. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
11. This Statement is addressed to Board of Directors and issued at the specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the red herring prospectus, prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates
Chartered Accountants
Firm Registration Number:105047W

Dipak Jaiswal
Partner
Membership No: 063682
UDIN: 24063682BKATFP1549

Place: Kolkata
Date: November 23, 2024

Annexure to the Statement of Possible Special Tax Benefits available to Suraksha Diagnostic Limited Formerly known as Suraksha Diagnostic Private Limited ('the Company') and its shareholders

A. Company and its shareholders

Direct Taxation

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This portion of the statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

1. Possible Special income-tax benefits available to the Company

- (i) Section 115BAA of the Income-tax Act, 1961 ('the Act'), as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can 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. In case a 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.

The Company has opted for the concessional tax regime as per the provisions of section 115BAA of the Act and consequently, MAT provisions as envisaged under section 115JB of the Act would not be applicable to the Company.

- (ii) Pursuant to the provisions of section 80M of the Act, dividend received by the company from any other domestic company or a foreign company or a business trust, 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 the company on or before one month prior to due date of furnishing the income-tax return under Section 139(1) of the IT Act for the relevant year, be allowed. 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.

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- (iii) Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided. Said deduction shall be available subject to satisfaction of specified conditions.

2. Possible Special Income-tax Tax Benefits available to the Shareholders of the Company

Taxability of Dividend Income in the hands of the Shareholders

- (i) 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, 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.
- (ii) Separately, any dividend income received by shareholders would be subject to tax deduction at source by the Company under section 194 of the Act @ 10%. However, in the case of individual shareholders, this would apply only in case the dividend income exceeds INR 5,000. Further, dividend income is now taxable in the hands of shareholders.

Taxability of Capital Gains in the hands of Resident Shareholders

- (i) There are no possible income-tax special tax benefits available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).
- (ii) As per Section 112A of the Act, any long term capital gains from transfer of equity shares, or a unit of any equity-oriented fund or a unit of a business trust on which Securities Transaction Tax ('STT') is paid both at the time of acquisition and sale, shall be taxed at the rate of 12.5% (without indexation) [w.e.f. 23 July 2024 by Finance (No.2) Act, 2024] of such capital gains subject to fulfilment of prescribed conditions of the Act as well as Notification No. 60/2018/F.No. 370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied only where such capital gains exceeds INR 1,25,000/-.
- (iii) As per Section 111A of the Act, short term capital gains arising from transfer of an equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfilment of prescribed conditions under the Act.

Taxability of Capital Gains in the hands of Non-Resident Shareholders

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- (i) 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.
- (ii) Apart from the tax benefits available to each class of shareholders as such, there are no possible special income tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its shareholders under 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 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Customs Tariff Act"), as amended by the Finance Act, 2023, Foreign Trade Policy 2023, the rules, regulations, circulars and notifications issued thereon, applicable for the financial year 2024-25, presently in force in India.

1. Possible Special indirect-tax benefits available to the Company

I. Possible Special Indirect Tax Benefits available under the GST Acts

- (i) Healthcare services, including diagnostic services provided by clinical establishments, are exempt from GST under Notification No. 12/2017-Central Tax (Rate) dated June 28, 2017.
- (ii) Essential medical devices, and equipment used in healthcare services are subject to comparative lower GST rates. Such as benefit of GST rate of 12% is available on all pharmaceutical goods falling under heading 3006 along with all the laboratory reagents and other goods falling under heading 3822 notified under Entry at S. No. 65 and S. No. 80 respectively, of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017, amended time to time. Further the same has been also clarified vide Circular No. 163/19/2021-GST dated 6th October 2021.
- (iii) If the company, engages in providing any services to the patients from neighbouring countries, wherein the recipient of service is located outside India as per the provisions of place of supply, determined under section 13 of Integrated Goods And Services Tax Act, 2017 and further such service, satisfies the definition of "export of services", defined under section 2(6) of such act, then as per the provisions laid down in section 16 of the Integrated Goods And Services Tax Act, 2017, the company may claim the benefit of zero-rated supplies upon such services.

II. Possible Special indirect tax benefits available under Customs Act and Customs Tariff Act

- (i) In exercising its powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 and sub-section (12) of section 3, of Customs Tariff Act, 1975, vide Notification No.

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50 /2017 -Customs, F.No. 354/119/2017- TRU, dated, 30th June, 2017, Government of India, the Ministry of Finance (Department of Revenue), in the public interest has either levied concessional rate of duty or has exempted, from the duty of customs leviable under the First Schedule of Customs Tariff Act, 1975 and IGST from the integrated tax leviable under sub-section (7) of section 3 of said Customs Tariff Act, read with section 5 of the Integrated Goods and Services Tax Act, 2017 on import of certain reagents, chemicals, surgical and laboratory supplies, equipment and stores, which may or may not be subject to certain conditions, specified in the annexure to such notification, if availed within the time specified thereon. A glance of the description of goods along with its concessional rate, defined in the notification relating to industry in which the company operates, has been tabulated below:

S.No.	Chapter or heading	Description of goods	Rate of Duty (Exempted or concessional duty)	Integrated Goods and Services Tax (Exempted or concessional duty)
166	28, 29, 30 or 38	Drugs, medicines, diagnostic kits or equipment etc.	5%	-
167	28, 29, 30 or 38	Lifesaving drugs/medicines including their salts and esters and diagnostic test kits etc.	-	-
213	30 or any other Chapter	Drugs and materials etc.	-	-
563	9019 10 20, 9022 90 10 or 9022 90 30	Goods required for medical, surgical, dental or veterinary use	5%	-
565	9022 14 10	X-Ray Generator	10%	-
569	Any Chapter	Accessories of the medical equipment	5%	-
570	90 or any other Chapter	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof	-	-

- (ii) As per section 25B of Customs Act, 1962, the Central Government may, by notification, exempt surgical and laboratory equipment and stores, which are re-imported after being exported for the purposes of repair, further processing or manufacture, as may be specified therein, from the whole or any part of duty of customs leviable thereon, subject to the certain conditions.

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III. Possible Special indirect tax benefits available to the Company under Foreign Trade Policy 2015-20

- (i) In case, if the company exports any services, it may receive the benefit allowed on importation of capital goods, used in providing such services, under Export Promotion Capital Goods (EPCG) Scheme defined under chapter 5 of the Foreign Trade Policy 2023, which also covers a service provider who is certified as a Common Service Provider (CSP) by the DGFT, subject to an export obligation equivalent to 6 times of duties, taxes and cess saved on such capital goods, to be fulfilled in 6 years reckoned from date of issue of authorisation and only if the company satisfies all the other conditions laid down in such chapter.

2. Possible Special Indirect Tax Benefits available to the Shareholders of the Company

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST.

Apart from above, the shareholders of the Company are not eligible for any possible special tax benefits under the provisions of the GST Acts, Customs Act, Customs Tariff Act and Foreign Trade Policy 2023 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of Indian Taxation Laws.
2. The above Statement of possible special tax benefits sets out the provisions of the Indian Taxation 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 tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. 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.
4. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are 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 Offer.

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5. This part A of the statement (Company and its Shareholders) does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.
6. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
7. The above statements are based on the existing provisions of Indian Taxation Laws 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. The views expressed in this statement are based on the facts and assumptions indicated in the statement. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

For and on behalf of the Board of Directors of
Suraksha Diagnostic Limited
(Formerly known as Suraksha Diagnostic Private Limited)

Dr Somnath Chatterjee
Chairman and Joint Managing Director
Place: Kolkata
Date: November 23, 2024

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