

STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors,
Vivekanand Cotspin Limited,**
S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana,
Gujarat-382715, India

And

**Book Running Lead Manager
Swastika Investmart Limited**
Office No. 104, 1st Floor, KESHAVA Commercial Building,
Plot No.C-5, "E" Block, Bandra Kurla Complex,
Opp GST Bhavan, Bandra (East), Mumbai – 400051 (MH)

Dear Sir / Madam,

Re: Proposed initial public Offer ("IPO") of equity shares of face value Rs. 10 each ("Equity Shares") by Vivekanand Cotspin Limited ("Company") ("Issue") in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), and other applicable laws, as amended.

This certificate is issued in accordance with the terms of our engagement dated April 02, 2026.

We hereby confirm that the enclosed annexure's 1 and 2, prepared by "**Vivekanand Cotspin Limited**" ("**the Company**") states the possible tax benefits available to the Company and the shareholders of the Company under the **Income – tax Act, 1961('Act')** as amended time to time (We have not included any specified benefits/restrictions prescribed in recently introduced Income Tax Act 2025, having applicability w.e.f. 01.04.2026), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2023, as amended by the Finance Act, 2025, i.e., applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, presently in force in India for inclusion in the Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

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 the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure's 1 and 2** cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive 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 hence is neither designed nor intended to be a substitute for professional advice. In view of the individual nature of the tax consequences, 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 we are advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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.

We hereby give our consent to include the enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Prospectus for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

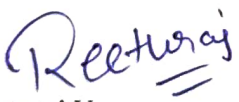
Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing taxlaws in force in India 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The enclosed **Annexure's 1 and 2** are intended solely for your information and for inclusion in the Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

The certificate is issued solely for the limited purpose to comply with SEBI ICDR Regulations. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors outside India (including persons who are Qualified Institutional Buyers as defined under (i) Rule 144A or (ii) Regulation S under the United States Securities Act of 1933, as amended) participating in the offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

M/s. S V J K AND ASSOCIATES
Chartered Accountants
Firm's Registration No: 135182W


Reeturaj Verma
Partner
Membership No. 193591
UDIN: 26193591HGFUAD7425



Place: Ahmedabad
Date: 04th June, 2026

ANNEXURE 1

TO THE STATEMENT OF POSSIBLE DIRECT TAX BENEFITS

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (the Act) presently forced 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 different interpretation on the benefits, which an investor can avail.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENTS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN THE 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 IN THEIR PARTICULAR SITUATION.

1. Special Tax Benefits available to the Company under the Income Tax Act, 1961:

i. Lower corporate tax rate under Section 115BAA of the Income Tax Act, 1961

Section 115BAA inserted w.e.f. 1st April 2020 (AY 2020-21), provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

(Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge)

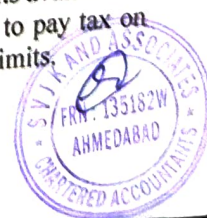
The Company has opted for the concessional rate of tax as prescribed under Section 115BAA of Income Tax Act 1961, for the first time in the return of income filed for FY 2025-26 for which declaration in specified form (i.e., Form 10- IC) has been filed with the **Income Tax Act, 1961**, and therefore will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of Section 10AA (deduction for units in Special Economic Zone);
- Deduction under clause (ia) of sub-section (1) of Section 32 (Additional depreciation);
- Deduction under Section 32AD or Section 33AB or Section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- Deduction under sub-clause (ii) or sub-clause (ia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 (Expenditure on scientific research);
- Deduction under Section 35AD or Section 35CCC (Deduction for specified business, agricultural extension project);
- Deduction under Section 35CCD (Expenditure on skill development);
- Deduction under any provisions of Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA;
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- 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 provisions of Section 115JB regarding Minimum Alternate Tax ("MAT") are not applicable if the Company opts for the concessional income tax rate as prescribed under Section 115BAA of the **Income Tax Act, 1961**. Consequently, the Company will not be entitled to claim tax credit relating to MAT.

2. Special Tax Benefits available to the shareholders under the Income Tax Act, 1961:

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified above, even the tax payers are liable to pay tax on dividend declared by the company as per rate of applicable tax considering slab prescribed and income limits.



The shareholders of the company will be liable for tax liability on any buyback of share in their hands as per the provisions of the Income Tax Act, 1961.

Notes:

1. All the above benefits are as per the current direct tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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 changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to 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.



ANNEXURE 2

TO THE STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Indirect Tax laws presently forced 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 different interpretation on the benefits, which an investor can avail.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENTS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN THE 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 IN THEIR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY

- i. **Benefits under the Export Promotion Capital Goods (EPCG) Scheme, governed by Chapter 5 of the Foreign Trade Policy 2023 (read with relevant rules prescribed thereunder), include:**

Custom Duty Exemption:

As per FTP Para 5.01, entities engaged in manufacturing or services are eligible to import capital goods at zero customs duty under the EPCG Scheme. These goods may include machinery and equipment essential for the production or service processes.

Exemption from IGST and Compensation Cess:

Domestic companies are exempt from paying Integrated GST (IGST) and compensation cess on imported capital goods under the scheme. This exemption aligns with a commitment to promote exports and boost production efficiency.

- ii. **Benefits under the Central Goods and Services Tax Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST Act) (read with relevant rules prescribed thereunder)**

Export of services under the GST law

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.

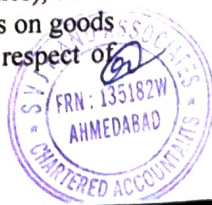
GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. We understand that the Company is undertaking exports of services without payment of tax under the cover of LUT. However, no refund is applied due to commercial viability.

- iii. **Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:**

As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported.

- iv. **Benefits of Remission of Duties and Taxes on Export Products ("RODTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):**

This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of



distribution of exported product. The Company avails RODTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digits HSN Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax Laws in India.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

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