

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO WAAREE ENERGIES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors**Waaree Energies Limited**

602, 6th Floor, Western Edge – I
Western Express Highway
Borivali (East), Mumbai – 400 066
Maharashtra, India

Dear Sirs,

Statement of Special Tax Benefits available to Waaree Energies Limited and its shareholders under the Indian tax laws (the "Statement")

1. We hereby confirm that the enclosed Annexure 1 and Annexure 2 (together "the Annexures"), prepared by Waaree Energies Limited ("the Company"), provides the special tax benefits available to the Company and to the shareholders of the Company under:
 - the Income-tax Act, 1961 read with rules, circulars, and notifications thereunder ("the IT Act"), as amended by the Finance Act 2024, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the "Direct Tax Laws") (Annexure 1); and
 - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, applicable State/ Union Territory Goods and Services Tax Act read with rules, circulars, and notifications (collectively, "GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") read with rules, circulars, and notifications, each as amended by the Finance Act 2024, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 and Foreign Trade Policy 2023 ("FTP"), presently in force in India (collectively referred as "Indirect Tax Laws", and along with the Direct Tax Laws, the "Tax Laws") (Annexure 2)
2. Several of these benefits are dependent on the Company or its shareholders, fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and 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 proposed initial public offering of equity shares of the Company ("Offer").



SRBC & COLLP

Chartered Accountants

Waaree Energies Limited Statement of Special Tax Benefits

4. 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;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

For **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per **Pritesh Maheshwari**
Partner
Membership Number: 118746
UDIN: 24118746BKFZWO5698



Place of Signature: Mumbai
Date: October 08, 2024

Enclosed: Annexure 1 and Annexure 2 to the Statement of Special Tax Benefits available to the Company and to its shareholders

ANNEXURE "1" TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO WAAREE ENERGIES LIMITED (THE "COMPANY") AND THE COMPANY'S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 read with rules, circulars, and notifications thereunder (hereinafter referred to as 'IT Act'), as amended by the Finance Act 2024, i.e. applicable for Financial Year 2024-25 relevant to Assessment Year 2025-26 and presently in force in India.

Under the Income-tax Act, 1961 ("IT Act")**A. Special tax benefits available to the Company****1. Lower Corporate tax rate under section 115BAA of the IT Act.**

The company has opted for lower corporate tax rate of 25.168% (prescribed under section 115BAA) of the IT Act from FY 2019-20.

The conditions for availing the same are stated below

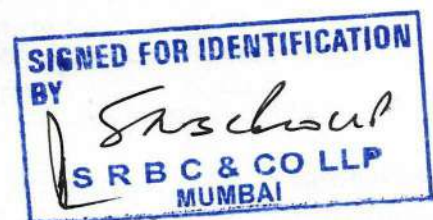
2. Deduction in respect of inter corporate dividends – Section 80M of the IT Act.

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished, and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement ("DTAA") (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 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 of the IT Act.

3. Deduction in respect of additional employee cost incurred – Section 80JJAA of the IT Act.

The company is entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of the business in the previous year, for three assessment years including the assessment year relevant to the previous year in which the employment is provided under section 80JJAA of the IT Act, subject to the fulfilment of the prescribed conditions.



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Corporate Identity Number: U29248MH1990PLC059463

B. Special tax benefits available to Shareholders

- 1 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 IT 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, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- 2 As per section 112A of the IT Act, long term capital gains arising from transfer of an equity shares shall be taxed at 12.5% (without indexation), plus applicable surcharge and cess, subject to fulfillment of prescribed conditions. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 125,000.
- 3 As per section 111A of the IT Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the IT Act.
- 4 In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable DTAA, if any, between India and the relevant country subject to entitlement.

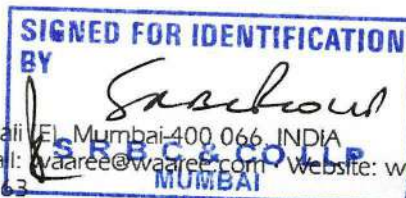
Notes:

1. The benefits in I and II above are as per the provisions of IT Act and current tax law as amended by the Finance Act, 2024.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them.
3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.
4. If the Company opts for concessional income tax rate under Section 115BAA of the IT Act, surcharge shall be levied at the rate of 10%.
5. Health and education cess @ 4% on the tax and surcharge is payable by all category of taxpayers.
6. If the Company opts for concessional income tax rate as prescribed under Section 115BAA of the IT Act, it will not be allowed to claim any of the following deductions:
 - Deduction under the provisions of Section 10AA of the IT Act (deduction for units in Special Economic Zone);
 - Deduction under clause (iia) of sub-section (1) of Section 32 of the IT Act (Additional depreciation);
 - Deduction under Section 32AD or Section 33AB or Section 33ABA of the IT Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 of the IT Act (Expenditure on scientific research)
 - Deduction under Section 35AD or Section 35CCC of the IT Act (Deduction for specified business, agricultural extension project)
 - Deduction under Section 35CCD of the IT Act (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA IT Act or Section 80M of the IT Act;

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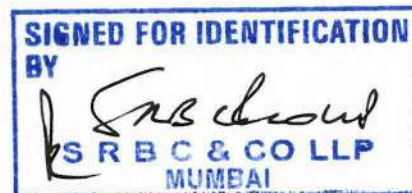


- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above; and
 - No set off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the IT Act, if such loss or depreciation is attributable to any of the deductions referred above.
7. Further, it was also clarified by CBDT vide circular No. 29/ 2019 dated 2 October 2019 that if the company opts for concessional income tax rate under Section 115BAA of the IT Act, the provisions of Section 115JB of the IT Act regarding Minimum Alternate Tax (MAT) are not applicable. Further, such company will not be entitled to claim tax credit relating to MAT.
 8. The above statement of special direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
 9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The 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.

For Waaree Energies Limited



By: Hitesh P Mehta
Whole time Director
Date: October 08, 2024
Place: Mumbai



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ANNEXURE 2

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO WAAREE ENERGIES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017/ relevant State Goods and Services Tax Act (SGST) ("GST law"), the Customs Act, 1962 ("Customs Act"), Customs Tariff Act, 1975 ("Tariff Act") read with rules, circulars, and notifications each as amended and Foreign Trade Policy 2023 ("FTP") (herein collectively referred as "indirect tax laws"), as amended by the Finance Act 2024, applicable for Financial Year 2024-25 relevant to Assessment Year 2025-26 and presently in force in India.

- I. **The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, applicable State/ Union Territory Goods and Services Tax Act, 2017 read with rules, circulars, and notifications (collectively "GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") read with rules, circulars, and notifications, as amended by the Finance Act 2024, i.e., applicable for the Financial Year 2024-25 and Foreign Trade Policy 2023. (collectively referred to as "Indirect Tax Laws")**

1. **Special indirect tax benefits available to the Company**

- a) The Company is availing the benefit of exemption from Basic Custom Duty, IGST and Compensation cess on import of inputs under **Advance Authorisation scheme**.

As per Para 4.22 of Foreign Trade Policy (FTP) 2023 read with Para 4.40(a) of Foreign Trade Procedure 2023, import made under advance authorisation scheme shall be subject to the condition that minimum value addition required to be achieved on value of export is 15% of CIF value of imports, to be fulfilled within 18 months from the date of issue of Authorisation.

- b) The Company is availing the benefit of exemption from Basic Custom Duty, IGST and Compensation cess on import of capital goods under **Export Promotion Capital Goods (EPCG) Scheme**.

As per Para 5.01(b) of Foreign Trade Policy (FTP) 2023, imports made under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation.

- c) The Company is availing the benefit of charging **concessional rate** of GST @ 0.10% on outward supply of goods made to Merchant Exporter subject to the condition that such Merchant Exporter exports the goods so procured within 90 days from the date of issue of tax invoice.

- d) The Company is also eligible to claim the benefit of refund of tax under Section 54 of CGST Act, 2017 on the supply of goods regarded as deemed exports as per Section 147 of CGST Act, 2017, subject to certain conditions.

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- e) The Company has a unit in Special Economic Zone (SEZ) in Surat. As per Section 26 of the Special Economic Zones Act, 2005 SEZ Act, every developer or entrepreneur shall be entitled to exemption from duty of customs under the Customs Act, 1962 or the Custom Tariff Act, 1975 on goods imported into SEZ to carry on the authorised operations or goods exported from SEZ unit to any place outside India.
- f) The Company has obtained license under **Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR) scheme** for its Chikhli unit. In accordance with the said scheme, the Company is eligible for storage of imported items, without payment of duty at the time of importation, and domestically procured items for warehousing thereof, as a Private Bonded Warehouse and permitted to carry out manufacturing and other operations in the said warehouse. The said benefit is subject to conditions specified under the scheme.
- g) The Company has obtained license under **Authorised Economic Operator (AEO) programme** and is availing the benefit of deferred payment of customs duty.
- h) The Company is availing the benefit of exemption from payment of Custom duty on import of Solar Cell into the Republic of India from the Southeast Asian countries under Notification No. 46/2011-Customs, dated 1st June, 2011.
- i) The Company is availing the benefit of exemption from payment of Basic Custom Duty (BCD) on import of inputs like Ethylene Vinyl Acetate (EVA) Sheets, EPE, Glass, Ribbon and Busbar which will be used in manufacture of Solar Cells/Modules in accordance with Notification No. 25/99-Customs, dated the 28th February, 1999 and Notification No. 50/2017 -Customs, dated, 30th June, 2017. The exemption is subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996, which has been further substituted by Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022.

2. Special indirect tax benefits available to Shareholders

There are no special indirect tax benefits available to the shareholders of the Company.

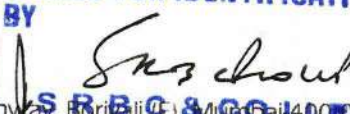
Notes:

1. The above statement of special tax benefits sets out the provisions of indirect tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences.
2. The above statement covers only the special indirect tax benefits under the relevant legislations, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above statement of special tax benefits is as per the current Indirect tax laws relevant for the Financial Year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the indirect tax laws.

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SIGNED FOR IDENTIFICATION
BY

S. R. B. C. & Co. Ltd.
MUMBAI



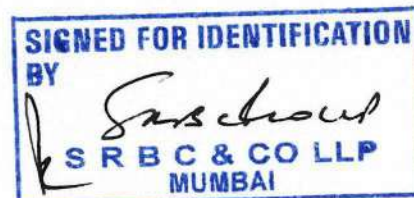
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The 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

For **Waaree Energies Limited**



By: **Hitesh P Mehta**
Whole Time Director
Date: Mumbai
Place: October 08, 2024



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