

Statement of possible special tax benefits available to Midwest Limited (formerly known as Midwest Granite Private Limited) ('the Company'), its Shareholders and Andhra Pradesh Granite Midwest Private Limited ("Material Subsidiary") under the applicable Direct and Indirect Taxes ("Tax Laws") in India.

Direct Taxation:

This statement of possible special direct tax benefits available to the Company, its shareholders and its Material Subsidiary under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2025 read with the relevant rules, circulars and notifications applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force.

1. Special Income tax benefits available to the Company and its Material Subsidiary in India under the Income-tax Act, 1961 ('Act')

➤ Section 115BAA - Concessional corporate tax rate on income of certain domestic companies:

- Section 115BAA of 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/exemptions or set-off of losses and depreciation provided under clause (ii) and clause (iii) of sub-section (2) of section 115BAA of the Act and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per section 115BAA, provisions of section 115JB, i.e., Minimum Alternate Tax ('MAT') would not be applicable on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act, 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 Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.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 has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2019-20 relevant to the Assessment Year 2020-21 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 relevant to the Assessment Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.
- Further, Material Subsidiary has also evaluated and decided to opt for lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2021-22 relevant to the Assessment Year 2022-23 under section 115BAA of the Act. Such option has been exercised by the Material Subsidiary while filing its return for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Material Subsidiary has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.



➤ **Section 80JJAA of the Act - Deduction in respect of employment of new employees:**

- Subject to the fulfilment of prescribed conditions, for the year, the Company and its Material Subsidiary is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the Company and its Material Subsidiary wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

➤ **Section 80M - Deduction in respect of Inter-Corporate Dividends:**

- As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in domestic and foreign companies, it may avail the above-mentioned benefit under Section 80M of the Act. However, in relation to Material Subsidiary, in absence of any investment, it cannot avail benefit under Section 80M of the Act.

2. Special direct tax benefits available to the Shareholders of Company under the Act

- 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 supra.



Indirect Taxation

This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Outlined below are the possible tax benefits available to the Company, its shareholders and its Material Subsidiary under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 / the respective Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017, (Collectively called as 'GST Laws'), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2025 read with the relevant, rules, circulars and notifications relevant to the Assessment Year 2026-27 including the relevant rules, notifications and circulars issued there under applicable for the Financial Year 2025-26, Special Economic Zones Act, 2005 and Foreign Trade Policy, 2023, presently in force in India.

UNDER THE INDIRECT TAX LAWS

BENEFITS TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special Indirect Tax Benefits available to the Company and its Material Subsidiary (Andhra Pradesh Granite (Midwest) Private Limited) under the various Indirect Tax Laws.
 - (i) The Company has four active GSTINs operating in the states of Telangana, Karnataka & Andhra Pradesh (SEZ & DTA) and its material subsidiary has one GSTIN operating in the state of Andhra Pradesh.
 - (ii) The Company and its material subsidiary are eligible to avail the benefit of Input Tax Credit (ITC) on the GST paid on certain procurements, subject to fulfilment of prescribed conditions under the GST Laws.
 - (iii) We understand that the Company has earnings in foreign exchange. For cross border transactions and transactions with SEZ that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfilment of prescribed conditions.
 - (iv) The Company and its material subsidiary have operations with respect to export of goods and supplies to SEZ customers which are considered as zero-rated supply as per Section 16 of the Integrated Goods and Services Tax Act, 2017. The Company is eligible for the benefit of zero-rated supply without payment of tax under LUT and claim refund of unutilized ITC for making such supplies in accordance with Section 54 of Central Goods and Services Tax Act, 2017, subject to fulfilment of prescribed conditions under the GST Laws. Also, the company has an option to make zero rated supplies with payment of Integrated Goods and Services Tax and later claim refund of the tax paid, subject to fulfilment of prescribed conditions under the GST Laws.
 - (v) One of the units of the Company is registered as a Special Economic Zone unit and is availing the benefit of zero rating in respect of purchases from domestic suppliers under the Special Economic

Zones Act, 2005 subject to fulfilment of conditions. Further, the Company is claiming exemption from import duties in respect of import of goods/services.

(vi) Further, one of the units of the Company is registered as an Export Oriented Unit ('EOU') and is availing the benefit of procurement of goods duty-free on imports and by way of refund under deemed export for domestic procurements under GST Laws. The unit is availing the benefit of zero rating of exports under GST and is not required to pay GST on such supplies. Further, the entity can also avail the benefit of refund of ITC of inputs and input services used for such exports.

(vii) The Company is availing the benefit of Duty drawback under the Foreign Trade Policy subject to fulfilment of conditions specified therein.

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

(i) The shareholders of the Company are not required to discharge any GST on transactions 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.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective the Union Territory Goods and Services Tax Act, 2017 State Goods and Services Tax Act, 2017, including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement covers only certain relevant indirect tax law benefits and does not cover any other benefit under any other law.
2. These tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian indirect tax regulation. Hence, the ability of the Company 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 fulfil.
3. 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.
4. 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.



5. The above views are based on the existing provisions of 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.

For Midwest Limited
(Formerly known as Midwest Granite Private Limited)



Chief Financial Officer

Date: October 03, 2025
Place: Hyderabad.