

KAKARIA AND ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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JAIPRAKASH H. SHETHIYA B.Com., F.C.A.

YOGESH KOTHARI B.Com, A.C.A

YOUR REF.:

OUR REF. :

To,

The Board of Directors

Supriya Lifescience Limited

207/208, Udyog Bhavan

Sonawala Road, Goregaon (East)

Mumbai 400 063

Maharashtra, India

ICICI Securities Limited

ICICI Venture House,

Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400 025

Axis Capital Limited

1st Floor, Axis House,

C-2 Wadia International Centre, P.B. Marg,

Worli, Mumbai - 400 025

(ICICI Securities Limited, Axis Capital Limited, collectively, with any other book running lead managers that may be appointed in connection with the Offer, the "Lead Managers")

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of Rs.2 each (the "Equity Shares") of Supriya Lifescience Limited (the "Company" and such offering, the "Offer")

We report that the enclosed statement in the **Annexure I**, states the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Company and its shareholders. 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, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill. The Company does not have any subsidiaries, as defined under the Companies Act, 2013.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for 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. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

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

- (i) the Company and its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with; or
- (iii) the revenue authorities will concur with the views expressed herein.

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 hereby give consent to include this statement of special tax benefits in the red herring prospectus, prospectus and in any other material used in connection with the Offer (together, the "**Offer Documents**").

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents, and for the submission of this certificate as may be necessary, to any regulatory / statutory/ judicial authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the Book Running Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Book Running Lead Managers, their affiliates and legal counsel in relation to the Offer.

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We undertake to update you in writing of any changes in the above mentioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges; you may assume that there is no change in respect of the matters covered in this certificate.

Yours faithfully,

For and on behalf of KAKARIA AND ASSOCIATES LLP

FRN: 104558W/W100601

Authorized signatory

Name: Ujwal Kakaria

Designation: Partner

Membership Number: 035416

UDIN: 21035416AAAAEW7842

Place: Mumbai.

Date: 01.12.2021

Encl: As above

CC:

Domestic Legal Counsel to the BRLMs

Indus Law

2nd Floor, Block D, The MIRA

Mathura Road, Ishwar Nagar

New Delhi - 110 065

India

Domestic Legal Counsel to the Company

Khaitan & Co

One World Center

10th & 13th Floors, Tower 1C

841 Senapati Bapat Marg

Mumbai 400 013

India

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA - INCOME-TAX ACT, 1961

Outlined below are the possible special tax benefits available to Supriya Lifescience Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

I. Special tax benefits available to the Company

1. As per the provisions of Section 35(2AB) of the Act, the company has availed the benefit on Revenue Expenditure incurred on Scientific Research. The Company has maintained separate accounts for the research and development centre approved by Department of Scientific and Industrial Research under sub-section (2AB) of section 35 of the Act.
2. The expenditure certified is also in consonance with Department of Scientific and Industrial Research guidelines.
3. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:
 - i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone).
 - ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
 - iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
 - iv. 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 (Expenditure on scientific research)
 - v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
 - vi. Deduction under section 35CCD (Expenditure on skill development)

- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
- viii. 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 from clause i) to vii) above.
- ix. 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 from clause i) to vii) above.

Further, it was 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, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.