



MITTAL GOEL & ASSOCIATES

Head Office: Plot No.7C, Sector 2, Parwanoo, Distt. Solan, H.P. 173220

Office: S.C.O. 40-41, Level III, Sector 17A, Chandigarh 160 017

T : +91 172 4657889, 4667889

E: consult@mgacaindia.com

W: mgacaindia.com

Chartered Accountants

**CERTIFICATE ON SPECIAL TAX BENEFITS
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS
SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To,

The Board of Directors
Prime Cable Industries Limited
E- 894, DSIDC Industrial Area
Narela, Delhi, India -110040
(hereinafter referred to as the “Company”)

AND

Indorient Financial Services Limited
B/805, Rustomjee Central Park,
Andheri Kurla Road, Chakala,
Mumbai – 400093, Maharashtra, India
(hereinafter referred to as the “Book Running Lead Manager” or “BRLM”)

Sub: Proposed SME Initial Public Offering of Equity Shares of face value of Rs. 5 each (the “Equity Shares”) of Prime Cable Industries Limited (the “Company” and such offering, the “Fresh Issue” and an offer for sale of Equity Shares by certain existing shareholders of the Company (“Offer for Sale”, and together with the Fresh Issue, the “Offer”)

We hereby report that the enclosed annexure prepared by the management of **Prime Cable Industries Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, 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 (collectively the “GST Act”) presently in force in India. 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 business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure I** cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 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 (“the Issue”) by the Company.

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

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.



New Delhi 343, Atulya Apt, Sector 18B, Dwarka, New Delhi 110 078 T : +91-11-43038002 E : consult@mgacaindia.com
Mumbai 42 – A, Kaveri, Sector 17, Vashi, New Mumbai 400 075 T : +91-22-67930026 E : admin@mgacaindia.com

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.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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. This report including enclosed annexure are intended solely for your information and for the inclusion in the Red Herring Prospectus and Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours truly,

For and on behalf of
M/s Mittal Goel & Associates
Chartered Accountants
FRN : 017577N


Sandeep Kumar Goel
Partner
Membership No.: 099212
UDIN: 25099212 BM12FL5686

Place: Chandigarh
Date: September 14, 2025

Encl: As above

CC:

Legal Counsel to the Offer

Khaitan & Khaitan
Solicitors & Advocates
A - 38, Kailash Colony,
New Delhi - 110 048, India

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

1. Lower corporate tax rate under section 115BAA of the Act

A new section 115BAA has been inserted in the act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay minimum alternate tax (MAT) on their 'book profits' under section 115JB of the act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) till FY 2023-2024 due to unutilised MAT Credit. However, the company plans to opt for the same in future financial years.

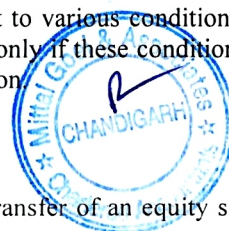
2. Benefit under section 80JJAA of the Act

As per the provisions of Section 80JJAA of the Income Tax Act, 1961, our Company is eligible for a deduction equal to 30% of the additional employee cost incurred during the relevant financial year for a period of three consecutive years. The said deduction is available in respect of new regular employees who have been employed during the year and fulfill the specified criteria. This tax benefit is aimed at promoting employment generation and may positively impact the financials of our Company by reducing the tax liability, thereby enhancing profitability.

The eligibility for claiming the deduction under Section 80JJAA is subject to various conditions and requirements prescribed under the Income Tax Act. The benefit is claimed only if these conditions are met, and any failure to comply may result in the disallowance of the deduction.

B. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS

1. As per section 112A of the act, long-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 12.50% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the act as well. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹ 1,25,000.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 12.50% without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 12.50% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

2. As per section 111A of the 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 fulfilment of prescribed conditions under the act.

Except for the above, the shareholders of the company are not entitled to any other special tax benefits under the direct tax laws.

1. The above is as per the current Tax Laws prevalent as on the date of issuance of this certificate.
2. The above Statement of possible special tax benefits sets out the provisions of Tax 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. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
4. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
5. 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.
6. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26. Special Tax benefits, if any, several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
7. The stated benefits will be available only to the sole/ first named holder in case the equity shares are held by joint holders.
8. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB. The CBDT has further

issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act:-

- Deduction under the provisions of Section 10AA
 - Deduction under clause (iia) of sub- section (1) of Section 32 (additional depreciation).
 - Deduction under section 32AD or Section 33AB or Section 33ABA
 - Deduction under section 35AD or Section 35CCC
 - Deduction under section 80G
9. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
10. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
11. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
12. 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 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.

For Prime Cable Industries Limited

Purshotam Singla
Managing Director
Date : September 14, 2025
Place : Delhi

