

Statement of Possible Special Tax Benefits

Date: August 20, 2024

To

The Board of Directors

Ecos (India) Mobility & Hospitality Limited

(Formerly known as Ecos (India) Mobility & Hospitality Private Limited)

45, First Floor, Corner Market

Malviya Nagar, New Delhi

India - 110017

Sub: Proposed initial public offering of equity shares of face value of Rs. 2 each (the “Equity Shares”) of Ecos (India) Mobility & Hospitality Limited (formerly known as Ecos (India) Mobility & Hospitality Private Limited) (the “Company” and such offering the “Offer”).

Dear Sirs/Madam,

We, S S Kothari Mehta & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits available to (i) the Company (ii) the shareholders of the Company, under applicable tax laws presently in force in India [including the Income Act, 1961 (**‘Act’**), the Income-tax Rules, 1962 (**‘Rules’**), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable Indian States’ Goods and Services Tax Act, (**“GST Act”**), regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024 as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, presently in force in India available to the Company and its Shareholders, the Foreign Trade Policy and Handbook of Procedures and rules made thereunder, collectively the **“Taxation Laws”**), Customs Act, 1962 (**“Customs Act”**)], State Industrial Incentive Policies and rules made under any of the aforementioned legislations.

The Company does not have any material subsidiaries for the purpose of disclosure of tax benefits in terms of Para 9(L) of Part A of Schedule VI of the SEBI ICDR Regulations.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose, or be able, to fulfil.

This statement of possible special tax benefits 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’**). Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

The preparation of the accompanying annexure on special tax benefits (the **“Statement”**) is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the statement, applying an appropriate basis of preparations that is reasonable in the circumstances.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed statement are neither exhaustive nor conclusive. 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 distinct nature of the tax consequences and changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

1. The Company or its shareholders will continue to obtain these benefits in the future; or
2. The conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We confirm that on receipt of any communication from Company of any changes in the information, we will immediately communicate any changes in writing in the above information to Equirus Capital Private Limited and IIFL Securities Limited (the “**Book Running Lead Managers**” or “**BRLMs**”) until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, it may be assumed that there is no change to the above information.

This certificate is addressed to Board of Directors and issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the Red Herring Prospectus (**RHP**), the **Prospectus** and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

We confirm that the information in this certificate is true and fair. This certificate is for information and for inclusion, in part or in full, in the **RHP** and the **Prospectus** to be filed in relation to the Offer (“**collectively the Offer Documents**”) or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Offer.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer.

We hereby consent to the submission of this certificate as may be necessary to SEBI, the ROC, the Stock Exchanges or for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law.

We also consent to the inclusion of this certificate as a part of “*Material Contracts and Documents for Inspection*” in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours sincerely,

For S.S. Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration Number: 000756N/N500441

Sunil Wahal

Partner

Membership No.: 087294

Place: New Delhi

UDIN: 24087294BKAHNM1281

CC:

Legal counsel to the Issue:

Trilegal

One World Centre

10th Floor, Tower 2A & 2B,

Senapati Bapat Marg,

Lower Parel,

Mumbai – 400 013

Book Running Lead Managers:

Equirus Capital Private Limited

12th Floor, C Wing,

Marathon Futurex

N M Joshi Marg, Lower Parel

Mumbai – 400 013

Maharashtra, India

IIFL Securities Limited

24th Floor, One Lodha Place

Senapati Bapat Marg Lower Parel (W)

Mumbai 400 013

Maharashtra, India (“**IIFL**”)



Annexure A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO ECOS (INDIA) MOBILITY & HOSPITALITY LIMITED (formerly known as Ecos (India) Mobility & Hospitality Private Limited) ("THE COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER DIRECT TAXATION

Outlined below are the special tax benefits available to Ecos (India) Mobility and Hospitality Limited (formerly known as Ecos (India) Mobility & Hospitality Private Limited) (the "Company"), and its Shareholders under the Income-Tax Act, 1961 (the "Act") as amended by the Finance Act, 2024 applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26.

Special direct tax benefits available to the Company

- **Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA 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 any 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 losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from AY 2021-22.

- **Deductions from Gross Total Income – Deduction in respect of employment of new employees – section 80JJAA of the Act**

As per section 80JJAA of the Act, while computing income under the head business and profession in case of an assessee to whom section 44AB (i.e., tax audit) applies, a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the financial year, shall be allowed for three assessment years including the assessment year relevant to the financial year in which such employment is provided. The Company is entitled to claim such deduction subject to

Page 4 of 6

Ecos (India) Mobility & Hospitality Limited

24X7 RESERVATION : (+91) 11 4079 4079 | CARS@ECORENTACAR.COM | WWW.ECORENTACAR.COM

CORP & REG OFFICE:
45, 1ST FLOOR, CORNER MARKET, MALVIYA NAGAR, NEW DELHI - 110017

CIN NO. U74999DL1996PLC076375



fulfilment of conditions specified under section 80JJAA of the Act even under the concessional regime under section 115BAA of the Act.

Special direct tax benefits available to the Shareholders

There are no special direct tax benefits available to the shareholders.



II. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER INDIRECT TAXES

Special indirect tax benefits available to the Company

Solely in relation to the issue, there are no special indirect tax benefits available to the Company.

Special indirect tax benefits available to the Shareholders

Solely in relation to the issue, there are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete.
2. This Annexure 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/her own tax advisor with respect to specific tax arising out of their participation in the Offer.
3. Our views expressed in this statement are based on the facts and assumptions as indicated in the Statement. No assurance is provided 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.

For Ecos (India) Mobility and Hospitality Limited
(Formerly known as Ecos (India) Mobility & Hospitality Private Limited)

Hem Kumar Upadhyay
Chief Financial Officer
Date: August 20, 2024