

**STATEMENT ON SPECIAL TAX BENEFITS**

Date: September 30, 2025

To,

**The Board of Directors,**  
**LG Electronics India Limited**  
A-24/6,  
Mohan Cooperative Industrial Estate,  
Mathura Road,  
New Delhi 110044

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 (the “Equity Shares”) of LG Electronics India Limited (the “Company” and such offering, the “Offer”)**

We, **B.B. & Associates (FRN: 023670N)**, Chartered Accountants, have been informed that the Company proposes to file the red herring prospectus (“**RHP**”) and the prospectus with the Registrar of Companies, Delhi & Haryana at New Delhi (“**RoC**”), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) and thereafter with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”).

We confirm that the enclosed **Annexure A** prepared by the Company, initialed by us for identification purpose, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in the Annexure, under:

- **Direct Tax Laws:** the Income-tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India; and
- **Indirect Tax Laws:** Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State/Union Territory Goods and Services Tax Act, 2017 and the relevant rules, circulars and notifications made thereunder (“**GST Acts**”), as amended from time to time, the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”), Comprehensive Economic Partnership Agreement (CEPA) and Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN), Foreign Trade Policy 2015-2020, as amended by FTP 2023, which came into force with effect from April 1, 2023, and continues in operation until amended, read with Handbook of Procedures and Foreign Trade Policy 2023, Package Scheme of Incentives 2007, Package Scheme Incentives 2013 and Electronics Policy 2016 of Maharashtra State and Infrastructure and Industrial Investment Policy 2012 of Uttar Pradesh State, presently in force in India.

The Act, the GST Acts, Customs Act and Tariff Act, Foreign Trade Policy 2023, as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25, Package Scheme of Incentives 2007, Package Scheme Incentives 2013 and Electronics Policy 2016 of Maharashtra State and Infrastructure and Industrial Investment Policy 2012 of Uttar Pradesh State, as defined above, are collectively referred to as the “**Relevant Acts**”

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/or its shareholders to derive the

# ***B.B. & Associates***

## ***Chartered Accountants***

tax benefits is dependent upon their fulfilling of such conditions which, based on business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated in the Annexure is the responsibility of the management of the Company. We are informed that the Annexure 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

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; and
- ii) the conditions prescribed for availing the benefits have been / would be met with;

The contents of the enclosed Annexure 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.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We shall not be liable to the Company for 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 the Company and any other person in respect of this Statement, except as per applicable law.

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.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the, RHP, the prospectus and any other material used in connection with the Offer (together, the “**Offer Documents**”) which may be filed by the Company with SEBI, Stock Exchanges, RoC and / or any other regulatory or statutory authority. This certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to applicable legal requirements.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to the SEBI, RoC, Stock Exchanges and/or any other regulatory/statutory authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law and in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume

# ***B.B. & Associates***

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that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

**For B.B & Associates**

Chartered Accountants

ICAI Firm Registration No: 023670N

**Balwan Bansal**

Partner

Membership No. 511341

Peer Review Certificate No. 015429

UDIN: 25511341BMIUSG4376

Place: New Delhi

Date: September 30, 2025

**LG Electronics India Limited**

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**ANNEXURE A****STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO LG ELECTRONICS INDIA LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Tax Laws ("Possible Special Tax Benefits"). 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 fulfil.

**1. Special tax benefits available to the Company****A. Direct taxes:****a. Lower corporate tax rate under section 115BAA of the IT Act:**

Section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") with effect from 1 April 2019 (FY 2019-2020). Section 115BAA of the IT Act grants an option to a domestic company to be governed by the section from a particular assessment year ('AY'). If a company opts for section 115BAA of the IT 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 IT 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 IT Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA of the IT Act. Also, if a company opts for section 115BAA of the IT Act, the tax credit (under section 115JAA of the IT Act), 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 decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the IT Act) with effect from AY 2020-2021.

**b. Higher depreciation on Moulds:**

As per Appendix 1 of Rule 5 of income tax rules, the Company is eligible to claim higher depreciation on certain plant and machineries such as moulds used in manufacture of rubber and plastic goods. Accordingly, the Company claims higher rate of depreciation 30% on these assets as against the normal rate of 15% on plant and machineries.





**B. Indirect Taxes:**

- a. **Benefits under Comprehensive Economic Partnership Agreement (CEPA), and Preferential Trade Agreement Between the Governments of Member States of The Association of Southeast Asian Nations (ASEAN):** CEPA and Preferential Trade Agreement Between the Governments of Member States of ASEAN are the free trade agreement between members countries, based on which the Company pays concessional duty on import of certain components used in the manufacture of final products.
- b. **Foreign Trade Policy 2015-2020 as extended until 31 March 2023, read with Handbook of Procedures and Foreign Trade Policy 2023:**

**Remission of Duties and Taxes on Exported Products Scheme (RoDTEP):** This scheme is notified with effect from 1 January 2021 with an object to neutralize the taxes and duties suffered on exported goods which are otherwise not remitted/ refunded in any manner. The benefit is given as percentage of free on board or as prescribed by the Department of Commerce. The remission of taxes is provided in the form of transferable duty credit electronic script and are subject to realization of sale proceeds within the period prescribed by Reserve Bank of India.

- c. **Customs Act, 1962:**

**Duty Drawback:** Duty drawback is the Export benefit given to rebate the custom duties charged on imported materials which are used for manufacture of exported goods.

**C. Other Incentives under Modified Special Incentives Package Scheme (M-SIPS):**

**Incentive under Modified Special Incentives Package Scheme (M-SIPS):** In order to promote large scale manufacturing in India, M-SIPS was announced by the Government in July, 2012 to offset disability and attract investments in Electronics System Design and Manufacturing (ESDM) Industries. The scheme provides incentive for capital expenditure. The Company has filed various Applications under M-SIPS with Ministry of Electronics and Information Technology (MeitY) under which the Company has received approval for LED TV, Refrigerator, Fully Automatic Washing Machine in its Pune plant and Refrigerator, Fully Automatic Washing Machine, Air Conditioner, Microwave at Noida plant. The overall scheme is for 10 years and all the projects are divided into different phases. Based on the investment made in plant and machinery, the Company is receiving incentives from MeitY.

**D. Other Incentives (based on MOU with Government of Maharashtra, Letter of Comfort /Government Order of Uttar Pradesh State and Government Order issued by Andhra Pradesh State):**

**A. Pune Plant:**

**1. Investment period April 1, 2011 to March 31, 2016**

- a) **Industrial Promotion Subsidy (IPS):**

As per the Eligibility certificate issued by Government of Maharashtra, the Company is eligible for Industrial Promotion Subsidy, under Package Scheme of Incentives, 2007, equivalent to certain level of Fixed Capital Investments made within a period of 5 years from April 1, 2011 to March 31, 2016. The Company is eligible to claim this incentive in the form of "Refund of VAT/ Gross SGST paid to the Government" for a period of 11 years from August 1, 2014 to July 31, 2025.



**b) Electricity Duty Exemption:**

As per the Eligibility certificate issued by Government of Maharashtra, the Company is eligible for Electricity Duty Exemption, under Package Scheme of Incentives, 2007 for a period of 9 years from August 1, 2014 till July 31, 2023.

**2. Investment Period November 1, 2017 to October 30, 2025**

**a) Industrial Promotion Subsidy (IPS):**

As per the Memorandum of Understanding ("MoU") dated November 2, 2018 entered into with the Government of Maharashtra (GoM), the Company is eligible for claiming benefit of Industrial Promotion Subsidy under Package Scheme of Incentives 2013 and Electronics Policy 2016. As per the scheme, the Company can claim benefit up to certain level of investment made during the investment period of 8 years from November 1, 2017 to October 30, 2025. The Company is eligible to claim this incentive in the form of "Refund of Gross SGST paid to the Government" for a period of 15 years.

**b) Others Benefit:** The Company will also be offered with Electricity Duty exemption, stamp duty exemption, partial refund of ESIC / PF contribution, Power Tariff Subsidy and refund of property Tax at certain percentage or formula for a stipulated period.

**B. Greater Noida Plant:**

Based on the Letter of comfort (LOC) and Government Orders (GO) of the State of Uttar Pradesh, the Company is eligible for Financial Incentive under Infrastructure and Industrial Investment Policy 2012 of Government of Uttar Pradesh. As per the scheme, the Company is entitled for financial incentive against certain level of investment made during the Investment period. The said financial incentive is computed and claimed in the form of Refund of "Net State Goods and Service Tax" (SGST) for a maximum period of 10 years ending on December 31, 2029.

**C. Proposed Andhra Pradesh Plant:**

Based on Government Order, G.O MS No. 77 dated 26 November 2024, issued by Andhra Pradesh Government, the Company is eligible for financial incentive under Andhra Pradesh Industrial Development Policy (4.0) 2024-29. The incentive will be in the form of waiver of stamp duty and registration fees, subsidy on utilities, SGST Refund on construction work, capital subsidy and subsidy for skilling of workers.

**2. Special tax benefits available to the shareholders of the Company**

There are no special tax benefits available to the current shareholders of the Company under the Tax Laws

**Notes:**

1. The above is as per the current Tax Laws.
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 of Possible Special Tax Benefits does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company.





4. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the country in which the non-resident has fiscal domicile.
6. The tax benefits discussed in this 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 consequences of his/her investment in the shares of the Company.
7. 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.

For **LG Electronics India Limited**



**Dongmyung Seo**

Whole Time Director and Chief financial officer



Place: New Delhi

Date: September 30, 2025

*Signed for identification purpose only*

**B.B. & Associates**