

J. C. BHALLA & CO.
CHARTERED ACCOUNTANTS

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STATEMENT ON SPECIAL TAX BENEFITS

To,
The Board of Directors
Urban Company Limited (formerly UrbanClap Technologies India Limited)
Unit No. 08, Ground Floor,
Rectangle 1, D4, Saket District Centre,
South Delhi, New Delhi,
Delhi, India, 110017.

Kotak Mahindra Capital Company Limited
1st Floor, 27BKC, Plot No. C -27,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Maharashtra, India.

Goldman Sachs (India) Securities Private Limited
9th and 10th Floor, Ascent-Worli,
Sudam Kalu Ahire Marg,
Worli, Mumbai - 400 025.

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025,
Maharashtra, India.

Morgan Stanley India Company Private Limited
Altimus, Level 39 and 40,
Pandurang Budhkar Marg,
Worli, Mumbai 400 018,
Maharashtra, India.

(Kotak Mahindra Capital Company Limited, Goldman Sachs India Private Limited, JM Financial Limited and Morgan Stanley India Company Private Limited are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Re: Proposed initial public offering of equity shares of face value of ₹ 1 (the "Equity Shares") of Urban Company Limited (the "Company" and such offering, the "Offer")

We, J. C. Bhalla & Co., Chartered Accountants, have been informed that the Company proposes to file the red herring prospectus ("RHP") and the prospectus with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), 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").



HEAD OFFICE : B-17, Maharani Bagh, New Delhi - 110065

We confirm that the enclosed Annexure A and B (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

- the Income-tax Act, 1961 (the "Act"), as amended by the Finance Act, 2025, applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India and
- the 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"), as amended by the Finance Act, 2025 applicable for the Financial Year 2025-26, presently in force in India.

The Act, the GST Acts, Customs Act and Tariff Act, 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 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 Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are 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;
- ii) the conditions prescribed for availing the benefits have been / would be met with; and
- iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Annexures 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.

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.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.



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.

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.

This certificate may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed 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 this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or on the request of the Stock Exchanges or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation or (iii) for the records to be maintained by the BRLMs and in accordance with applicable law.

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 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 faithfully,

For J. C. Bhalla & Co.
Chartered Accountants
ICAI Firm Registration No: 001111N

(Akhil Bhalla)
Partner
Membership No. 505002
Peer Review Certificate No. 018518
UDIN: 25505002BMIMCI6465



Place: Noida
Date : September 02, 2025

CC:

Domestic Legal Counsel to the Book Running Lead Managers

Cyril Amarchand Mangaldas

Level 1 and Level 2, Max towers,
Plot No. C-001 / A/1, Sector 16 B,
Gautam Buddha Nagar, Noida – 201 301,
Uttar Pradesh, India.

International Legal Counsel to the Book Running Lead Managers

White & Case

White & Case Pte Ltd.
88 Market Street,
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Singapore 048948.

Domestic Legal Counsel to the Company

Shardul Amarchand Mangaldas & Co

Amarchand Towers 216,
Okhla Industrial Estate Phase III,
New Delhi 110 020,
India.



Annexure A

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO COMPANY AND ITS SHAREHOLDERS

The statement of direct tax benefits enumerated below is as per the Income Tax Act 1961 ('the act') as amended from time to time and applicable for financial year 2025-26 relevant to assessment year 2026-27

I. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

A. Lower Corporate tax rate under section 115BAA of the Act

- As per section 115BAA of the act inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 i.e. AY 2020-21 an option is granted to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) on fulfillment of certain conditions. The option once exercised through filing of Form 10-IC on or before the due date of filing return of income on the income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the act:
Section 10AA: Tax holiday available to units in a Special Economic Zone
Section 32(1)(ia): Additional Depreciation
Section 32AD: Investment Allowance
Section 33AB/33ABA: Tax Coffee rubber development expenses/ site restoration expenses
Section 35(1)/35(2AA)/35(2AB): Expenditure on scientific research
Section 35AD: Deduction for capital expenditure incurred on specified Businesses
Section 35CCC/35CCD: expenditure on agricultural extension/ skill development
Chapter VI-A except for the provisions of section 80JJAA and Section 80M
- The total income of a company availing the concessional rate is required without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives.
Further, provisions of Minimum Alternate Tax ("MAT") under section 115JB of the Act shall not be applicable to companies availing reduced tax rate, thus any carried forward MAT credit also cannot be claimed.
- The provisions do not specify any limitation/ condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

B. Deduction in respect of inter-corporate dividends - Section 80M of the Act

As per the provisions of section 80M of the Act, a domestic company ("Resident Corporate Shareholder") can claim a deduction of an amount equal to dividends received from another domestic company or a foreign company or



a business trust. Such deduction shall be claimed from gross total income of the Resident Corporate Shareholder and shall not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

The deduction under section 80M is available even if domestic company opts for concessional tax rate under section 115BAA of the act.

C. Deduction under section 80JJAA of the Act

As per the provisions of Section 80JJAA of the Act, where the gross total income of an assessee, to whom provisions of section 44AB of the Act applies, includes any profit and gains derived from business, then such assessee shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

II. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders of the Company for investing in the equity shares of the company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act. Further, it may be noted that these are general tax benefits available to equity shareholders, other shareholders holding any other type of instrument are not covered below.

- A. The Company would be required to deduct tax at source on the dividend paid to the Shareholders, at applicable rates specified under the Act, subject to Double Taxation Avoidance Agreement, in case of Shareholders who are eligible to claim benefit under Double Taxation Avoidance Agreement. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, if the income exceeds INR 1 crore. However, if the income is between INR 50 lakhs to INR 1 crore, surcharge at the rate of 10% shall apply. The Shareholders would be eligible to claim the credit of such tax in their return of income.
- B. As per the provisions of section 80M of the Act, a Resident Corporate Shareholder can claim deduction of an amount equal to dividends received from another domestic company or a foreign company or a business trust. Such deduction shall be claimed from gross total income of the resident corporate shareholder and shall not exceed the amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.



- C. 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 12.5% (plus applicable surcharge and cess) (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,25,000.
- D. As per Section 111A of the Act, short term capital gains arising from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% (plus applicable surcharge and cess) subject to fulfillment of prescribed conditions under the Act.
- E. Non-resident shareholders can offer the income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any, subject to eligibility and furnishing of requisite documents such as tax residency certificate, electronically filed Form 10F, No Permanent Establishment Certificate, etc. (as may be applicable) Further, non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident. Shareholders being Individual and HUF can opt to be taxed as per the new tax rates mentioned under section 115BAC of the Act.

Annexure B

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO COMPANY AND ITS SHAREHOLDERS

There are no special indirect tax benefits available to the Company or its Shareholders under Indirect Tax Regulations in India.

