

Annexure 2

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO CANARA HSBC LIFE INSURANCE COMPANY LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS

A. Special tax benefits available to the Company

(i) Supply of certain insurance services exempt from the levy of GST

Services of insurance business in respect of products specified *vide* Notification No. 12/2017-CT(R) dt. 28.06.2017 issued under the Central Goods & Service Tax Rules, 2017 including individual life and health insurance¹ have been exempted from the levy of GST. In this regard, the reinsurance premiums paid in respect of such insurance products are also exempt from the levy of GST.

(ii) GST not leviable on co-insurance premium / re-insurance services

In terms of Schedule III of the Central Goods & Service Tax Rules, 2017, the following activities are not liable to GST:

“9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the Central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, Page 2 of 2 subject to the condition that the Central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”

Apart from above, the Company is not eligible for any other special tax benefits under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

B. Special tax benefits available to Shareholders

The Shareholders of the Company are not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

¹ Individual life and health insurance services have been exempted from GST w.e.f. 22-09-2025 *vide* Notification No. 16/2025-CT(R) dated 17-09-2025.

Notes:

- (i) The above statement covers certain significant tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover all the benefits or benefit under any other law in force in India.
- (ii) This statement does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company, by the person residing in the country outside India.
- (iii) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- (iv) 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 Proposed IPO.
- (v) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- (vi) 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, up to the date of report. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this statement.
- (vii) All the above tax benefits are as per the current direct tax laws relevant for Assessment Year (“AY”) 2026-27 corresponding Financial Year (“FY”) 2025-26.
- (viii) The stated benefits/taxation treatment as per applicable laws will be available only to the sole/ first named holder in case the shares are held by joint holders.