

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**Plada Infotech Services Limited**

Santosh A. Mishra Compound, Mogradpada,  
Mogra Village, Off. Old Nagardas Road,  
Andheri (East), Mumbai, Maharashtra – 400069

**Indorient Financial Services Limited**

Rustomjee Central Park, A-Wing, 304/5,  
Executive Spaces, Andheri Kurla Road, Chakala,  
Mumbai – 400093 Maharashtra, India

Dear Sirs,

**Subject: Statement of Special Possible Tax Benefits ('The Statement') available to Plada Infotech Services Limited ('The Company') and its shareholders.**

We report that the enclosed statement in the Annexure prepared by the management of **Plada Infotech Services Limited**, states the possible special tax benefits under direct and indirect tax laws and Income Tax Rules, 1962 and 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 available to the Company and its shareholders. Several of these benefits are dependent on the Company or its shareholders as the case may be, fulfilling the prescribed conditions under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special 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 Statement cover only special tax benefits available to the Company or to the Shareholders of the Company are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any law within or outside India have not been examined and covered by this Statement.

Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. 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. Neither we are suggesting nor advising the investor to invest in the Offer based on this statement.

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.

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**S C MEHRA & ASSOCIATES LLP**

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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.

We also consent to the references to us as “Experts” as defined under section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 to the extent of the Certification provided hereunder and included in the Draft Prospectus / Prospectus (“Offer Documents”) of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this Statement of possible special tax benefits in the offer documents and in any other material used in connection with the Offer.

This certificate is issued for the sole purpose of the Offer, and can be used, in full or in part, for the inclusion in the offer documents and any other material used in connection with the offer, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the lead manager in connection with the offer and in accordance with applicable law, and for the purpose of any defense the lead manager may advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied by the Company, Lead manager, their affiliates and the legal counsels in relation to this offer.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued / transferred pursuant to equity shares commences trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the equity shares commences trading on the recognized stock exchanges.

**For S C Mehra & Associates LLP**

**Chartered Accountants**

**Firm’s Reg. No. 106156W**

**(CA S C Mehra)**

**Partner**

**M. No. 039730**

**Place: Mumbai**

**Date: Sept 22, 2023**

**UDIN: 23039730BGWHZZ7213**

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**ANNEXURE 1**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILED BY AVAILABLE TO  
PLADA INFOTECH SERVICES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS**

**A. Under The Income-Tax Act, 1961 (Hereinafter Referred To As 'The Act')**

**a. Possible special tax benefits available to the Company under the Act.**

The Company is entitled to special tax benefits under Section 80JJAA of the Income Tax Act, 1961 with effect from 01-04-2022.

The provisions of Section 80JJAA of the Income Tax, 1961 is as under:

Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent 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.

No deduction under sub-section (1) shall be allowed,—

(a) if the business is formed by splitting up, or the reconstruction, of an existing business:

Provided that nothing contained in this clause shall apply in respect of a business which is formed as a result of re-establishment, reconstruction or revival by the assessee of the business in the circumstances and within the period specified in section 33B;

(b) if the business is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;

(c) unless the assessee furnishes the report of the accountant, as defined in the Explanation below sub-section (2) of section 288, before the specified date referred to in section 44AB giving such particulars in the report as may be prescribed.

Explanation.—For the purposes of this section,—

(i) "additional employee cost" means the total emoluments paid or payable to additional employees employed during the previous year:

Provided that in the case of an existing business, the additional employee cost shall be nil, if—

(a) there is no increase in the number of employees from the total number of employees employed as on the last day of the preceding year;

(b) emoluments are paid otherwise than by an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account or through such other electronic mode as may be prescribed: Provided further that in the first year of a new business, emoluments paid or payable to employees employed during that previous year shall be deemed to be the additional employee cost;

(ii) "additional employee" means an employee who has been employed during the previous year and whose employment has the effect of increasing the total number of employees employed by the employer as on the last day of the preceding year, but does not include—

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- (a) an employee whose total emoluments are more than twenty-five thousand rupees per month; or
- (b) an employee for whom the entire contribution is paid by the Government under the Employees' Pension Scheme notified in accordance with the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952); or
- (c) an employee employed for a period of less than two hundred and forty days during the previous year; or
- (d) an employee who does not participate in the recognised provident fund:

Provided that in the case of an assessee who is engaged in the business of manufacturing of apparel or footwear or leather products, the provisions of sub-clause (c) shall have effect as if for the words "two hundred and forty days", the words "one hundred and fifty days" had been substituted:

Provided further that where an employee is employed during the previous year for a period of less than two hundred and forty days or one hundred and fifty days, as the case may be, but is employed for a period of two hundred and forty days or one hundred and fifty days, as the case may be, in the immediately succeeding year, he shall be deemed to have been employed in the succeeding year and the provisions of this section shall apply accordingly;

(iii) "emoluments" means any sum paid or payable to an employee in lieu of his employment by whatever name called, but does not include—

- (a) any contribution paid or payable by the employer to any pension fund or provident fund or any other fund for the benefit of the employee under any law for the time being in force; and
- (b) any lump sum payment paid or payable to an employee at the time of termination of his service or superannuation or voluntary retirement, such as gratuity, severance pay, leave encashment, voluntary retrenchment benefits, commutation of pension and the like.

The provisions of this section, as they stood immediately prior to their amendment by the Finance Act, 2016, shall apply to an assessee eligible to claim any deduction for any assessment year commencing on or before the 1st day of April, 2016.

**b. Possible special tax benefits available to the Shareholders under the Act.**

There are no special possible 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 analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares or any potential tax implications as a matter of implementation and interpretation of law.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the AY 2023-24.
4. This statement 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 tax nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

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6. 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.

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**ANNEXURE 2****STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO  
PLADA INFOTECH SERVICES LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS****B. The Central Goods and Services Tax Act, 2017/the Integrated Goods and Services Tax Act, 2017 (“GST Act”)/ the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively “Indirect Act”)****a. Possible special indirect tax benefits available to the Company under the Act.**

There are no special indirect tax benefits available to the Company.

**b. Possible special indirect tax benefits available to the Shareholders under the Act.**

There are no possible special indirect tax benefits available for Shareholders for investing in the Shares of the Company.

**Notes:**

1. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
2. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax benefit or benefit under any other law.
3. This statement 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 tax nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. 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.

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