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**STATEMENT OF SPECIAL TAX BENEFITS**  
**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO RASHI PERIPHERALS LIMITED**  
**(FORMERLY KNOWN AS RASHI PERIPHERALS PRIVATE LIMITED) ("THE COMPANY") AND THE**  
**SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA**

Date: September 6, 2023

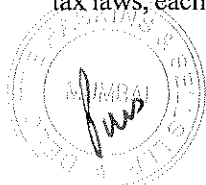
To  
The Board of Directors  
**Rashi Peripherals Limited**  
(formerly known as Rashi Peripherals Private Limited)  
Ariisto House, 5th Floor, Corner of Telli Galli  
Andheri (East), Mumbai – 400 069  
Maharashtra, India

**Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws**

We refer to the proposed initial public offering of equity shares (the "Offer") of Rashi Peripherals Limited (Formerly known as Rashi Peripherals Private Limited) (the "Company"). We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws, including the Income-tax Act, 1961, 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"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), Foreign Trade Policy 2023 (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2024-2025 relevant to the financial year 2023-24 for inclusion in the Red Herring Prospectus (the "RHP") and the Prospectus (together with the RHP, the "Offer Documents") for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company and/or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions which is based on business imperatives the Company may face in the near future and accordingly, the Company or its shareholders may not choose to fulfill.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 consultants, with respect to the specific tax implications



arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.


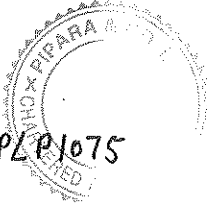
We do not express any opinion or provide any assurance whether:

- The Company and/or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the special tax benefits available to the Company and its shareholders in the Offer Documents for the proposed initial public offer of equity shares which the Company intends to file with the Registrar of Companies, Maharashtra at Mumbai and further submit to the Securities and Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the Offer Documents.

#### LIMITATIONS

*Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement. This statement has been prepared solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.*

<p><b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants Firm's Registration No. 117366W/W-100018</p> <p><i>Pallavi Sharma</i> <b>Pallavi Sharma</b> Partner Membership No. 113861 UDIN: 23113861BQXT</p> <p>Mumbai Date: September 6, 2023</p> 	<p><b>For Pipara &amp; Co LLP</b> Chartered Accountants Firm's Registration No. 107929W/W-100219</p> <p><i>Bhawik Madrecha</i> <b>Bhawik Madrecha</b> Partner Membership No. 163412 UDIN: 23163412BGUP/P1075</p> <p>Mumbai Date: September 6, 2023</p> 
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**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS SHOWING THE CURRENT POSITION OF SPECIAL TAX BENEFITS AVAILABLE TO RASHI PERIPHERALS LIMITED (FORMERLY KNOWN AS RASHI PERIPHERALS PRIVATE LIMITED) (THE "COMPANY") AND COMPANY'S SHAREHOLDERS ("SHAREHOLDERS") AS PER THE PROVISIONS OF THE INDIAN DIRECT AND INDIRECT TAX LAWS.**

The information provided below sets out the possible special direct and indirect tax benefits available to Rashi Peripherals Limited (Formerly known as Rashi Peripherals Private Limited) (the "Company") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional 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 issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

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

**I. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961**

The statement of tax benefits outlined below is as per the Income-tax Act, 1961 read with Income Tax Rules, circulars, notifications ("Income Tax Law"), as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the Income Tax Law. Hence, the ability of the Company to derive the 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 fulfill.

*JWS*  
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**Deloitte Haskins & Sells Rashi Peripherals Limited**

## 1. Lower corporate tax rate under Section 115BAA of the Income-tax Act, 1961 (“the Act”):

As per Section 115BAA of the Act as inserted vide the Taxation Laws (Amendment) Act, 2019, with effect from Financial Year 2019-20 (i.e. AY 2020-21), a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and cess) provided the company does not avail specified exemptions/incentives/ deductions or set-off of losses, unabsorbed depreciation etc. and claiming depreciation in prescribed manner and complies with other conditions specified in section 115BAA of the Act.

In case a company opts for Section 115BAA of the Act, provisions of MAT under Section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised on or before the due date of filing the tax return in prescribed manner. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year and therefore, shall apply to subsequent assessment years. Further, if the conditions mentioned in section 115BAA of the Act are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The tax expenses are recognized in the statement of profit and loss of for the year ended March 2023 by applying the tax rate as prescribed in Section 115BAA of the Act. (refer “Note - 3” below). The company has represented to us that they have opted for section 115BAA of the Act from the Assessment Year 2020-21 onwards.

## 2. Deductions from Gross Total Income

### *Deduction in respect of employment of new employees – Section 80JJAA of the Act:*

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

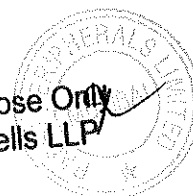
### *Deduction in respect of inter-corporate dividends – Section 80M of the Act:*

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid. The company is required to deduct Tax at Source (“TDS”) on the amount of dividend paid/distributed at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Income-tax Act, 1961, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic

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company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does 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.

## II. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend. The shareholders would be eligible to claim the credit of such tax in their return of income.

However, as per the provisions of section 194 of the Act, no deduction of tax at source would be required in case of an individual, where dividend is distributed in modes other than cash and the aggregate amount of such dividends distributed during the year by the company to the shareholder does not exceed Rs. 5,000.

Further, the provisions of section 194 of the Act shall not apply to such income credited or paid to:

- (a) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), in respect of any shares owned by it or in which it has full beneficial interest
- (b) the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any shares owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest
- (c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest
- (d) a "business trust", as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10
- (e) any other person as may be notified by the Central Government in the Official Gazette in this behalf.

With respect to a domestic corporate shareholder, deduction shall be available under section 80M of the Act on fulfilling the conditions (as detailed above).

As per Section 112A of the Act, long-term capital gains arising from transfer of a listed equity share shall be taxed at 10% 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 payable on long-term capital gains exceeding INR 1,00,000.

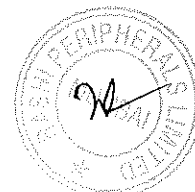
As per Section 111A of the Act, short term capital gains arising from transfer of a listed equity share, shall be taxed at 15% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.

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

### Notes:

1. The benefits in I and II above are as per the current tax law as amended by the Finance Act, 2023.

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2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. The Company has opted to apply the provisions of Section 115BAA of the Act from the assessment year 2020-21 onwards. In view of this, it may be noted that *inter alia* the below deductions / exemptions which were available to the Company (if any) in earlier assessment years, shall not be available from the assessment year 2020-21 onwards.
  - Deduction under Section 10AA of the Act in respect of unit in Special Economic Zone
  - Deduction under Section 35(2AB) of the Act being claim of capital expenditure for scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility recognized by Department of Scientific and Industrial Research
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 of the Act
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
  - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
  - Deduction under section 35CCD (Expenditure on skill development)
  - Deduction under Section 32(1)(iia) of the Act in respect of additional depreciation
  - Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA or Section 80M
  - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
  - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
  - A company opting for the lower corporate tax rate under Section 115BAA of the Act shall be subject to levy of surcharge of 10% and Health and Education Cess of 4%
4. Further, it is also clarified in section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.
5. The above statement of possible direct 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.

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

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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax")

**I. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY**

**A. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)**

**1. Remission of Duties and Taxes on Exported Products (RoDTEP)**

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The objective of scheme is to refund, currently un-refunded duties/taxes/levies at the Central, State and Local level, borne on the exported product including prior stage cumulative indirect taxes on goods and services used in production of the exported product; and such indirect duties/taxes/levies in respect of distribution of exported products. Under the scheme, rebate of aforesaid taxes will be given in the form of electronic scrip which could be utilised for payment of Basic Customs Duty.

## 2. Export Promotion Capital Goods (EPCG)

The objective of the EPCG Scheme is to facilitate import of capital goods to be used for producing goods thereby enhancing India's manufacturing and export competitiveness. EPCG Scheme facilitates import of capital goods at zero customs duty subject to fulfilling an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years from date of authorization..

## 3. Advance Authorization (AA)

The objective of the AA Scheme is to facilitate import of material to be used in manufacturing goods to be exported thereby enhancing India's manufacturing and export competitiveness. AA Scheme facilitates duty free import of inputs, which is physically incorporated in the export product (making normal allowance for wastage). An AA license holder is required to achieve a prescribed minimum value addition and fulfil the export obligation mentioned in the authorisation within a prescribed time period to enjoy the aforesaid duty-free benefit while importing the raw material. AA license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping Duty, Countervailing Duty and Safeguard Duty Special Additional Duty. Physical and deemed export are also exempt from , Integrated Goods and Services Tax (IGST) and Compensation Cess, wherever applicable, subject to certain conditions.

## B. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. Unlike the manner of granting benefit under aforesaid FTP schemes, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods.

## C. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder).

### 1. Export of goods or/ and services under the Goods and Services Tax ('GST') law

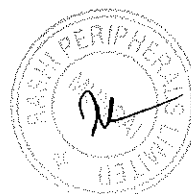
GST law *inter-alia* allows export of goods or / and services at zero rate on fulfilment of certain conditions. Exporters can export under Bond / Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated Input tax credit ('ITC'). There is also an alternative available to export with payment of IGST and subsequently claim rebate (refund thereof) as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. The Finance Bill 2021 however has inserted suitable provisions stating that the said benefit of exporters to pay IGST on exports and subsequently claiming rebate thereof would be available only to notified persons, though the relevant notification in this regard is awaited.

### 2. GST Refund under Inverted Duty Structure

GST law allows a person to claim refund of unutilised input tax credit where accumulation is on account of rate of tax on inputs being higher as compared to GST rate on output. The GST law also provides for the formulae/ mechanism for calculating the maximum refund amount in this regard.

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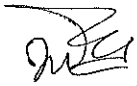
## II. SPECIAL INDIRECT TAX BENEFITS FOR SHAREHOLDERS OF THE COMPANY

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications) and Special Economic Zones Act, 2005.

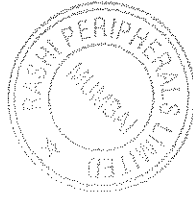
### Notes:

- These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a 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.
- The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
- The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - The Company or its shareholders will continue to obtain these benefits in future;
  - The conditions prescribed for availing the benefits have been / would be met with; and
  - The revenue authorities / courts will concur with the view expressed herein.
  - The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time and that department may take a view contrary to that indicated above.

Yours Faithfully,  
For Rashi Peripherals Limited



Authorized Signatory  
Name: Mr. Krishna Kumar Choudhary  
Designation: Chairman and Whole-time Director



Date: 06 September, 2023

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