



M M REDDY & CO.,
Chartered Accountant

Phone : 040-65536097
Fax : 040-23478836
Mobile : 98482 71555
91770 20555

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Vineet Laboratories Limited
SY.No. 11/A3, Saheb Nagar,
Kurdu Vill, Chintal Kunta,
Eshwaramma Nilayam, L B
Nagar Hyderabad Hyderabad
TG 500074 IN.

Dear Sirs,

Sub: Statement of possible Special Tax benefit ("the Statement") available to Vineet Laboratories Limited ("Company"), the shareholders of the Company prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations").

We hereby report that the enclosed Statement prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020 as applicable for the financial year 2020-21 relevant to the assessment year 2021-22, presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders are neither exhaustive nor conclusive. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We were informed that the 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.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations 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.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (the 'Guidance Note') issued by The Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.



M M R Lion Corp, 4th Floor, HSR Eden, Beside Cream Stone,
Road No. 2, Banjara Hills, Hyderabad- 500034, TS
E-mail: mmreddyandco@gmail.com



M M R Lion Corp, 4th Floor, HSR Eden, Beside Cream Stone,
Bangalore - 560 102. Ph: 040-26840123, Cell: 9008100228
E-mail: mmreddyandcoblr@gmail.com

We have complied with the relevant applicable requirements of 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.

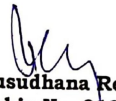
We do not express any opinion or provide any assurance as to whether:

- i) The Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) The conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of this statement, either in part or full, in the draft information memorandum and information memorandum, and submission of this statement to the stock exchanges where the Equity Shares of the Company are proposed to be listed, or any other statutory or regulatory authority, as the case may be.

**For M M Reddy & Co.,
Chartered Accountants
Firm Reg.No: 010371S**


M Madhusudhana Reddy
Membership No. 213077
Partner
UDIN: 21213077AAAABK4780



Place: Hyderabad
Date: 19/01/2021

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VINEET LABORATORIES LIMITED (THE 'COMPANY'), AND ITS SHAREHOLDERS.

A. DIRECT TAXATION

1. Special tax benefits available to the Company under the Income Tax Regulations

i. Deductions from Gross Total Income

- Deduction in respect of employment of new employees

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA.

- Deduction in respect of donation to certain funds, charitable institution, etc.

Donations made by the company towards certain specified funds and charitable institution as prescribed under section 80G of the Act shall be eligible for 100%/50% deduction subject to the condition as prescribed.

2. Special tax benefits available to the Shareholders of the Company

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders.

NOTES:

- a. The above benefits are as per the current tax law as amended by the Finance Act, 2020, Finance Act, 2020 and Taxation Laws (Amendment) Act, 2020.
- b. 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.
- c. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.

If the Company opts for concessional income tax rate under section 115BAA, surcharge shall be levied at the rate of 10%.

- d. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.
- e. If the Company opts for concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:



- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A under the heading "C.____Deductions in respect of certain incomes" other than the provisions of section 80JJAA;
- 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 to in clause

Further, it was also clarified by CBDT vide circular NO. 29/ 2019 dated 2 October 2019 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.

- f. 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.

B. INDIRECT TAXATION

1. Special tax benefits available to the Company

- In view of Para 3.08 of the Foreign Trade Policy 2015-2020 ("FTP"), Service providers of notified services listed in Appendix 3D, located in India are entitled for benefits under the Service Exports from India Scheme ("SEIS") provided the said services are rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy.

The Company is eligible for benefits under SEIS, being engaged in the provision of hospital services which is one of the notified services listed in Appendix 3D and is availing the said benefits.

2. Special tax benefits available to Shareholders

There are no indirect tax benefits applicable in the hands of the shareholders for investing in the shares of the Company.

