

BATHIYA

& ASSOCIATES LLP CHARTERED ACCOUNTANTS

CERTIFICATE ON SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES

To,

The Board of Directors,
Mamata Machinery Limited
Survey No. 423/P,
Sarkhej - Bavla Highway,
Moraiya, Tal. - Sanand,
Gujarat, India, 382213

(The "Company")

AND

Beeline Capital Advisors Private Limited
B/1311-1314, Thirteenth Floor,
Shilp Corporate Park, Rajpath Rangoli Road,
Thaltej, Ahmedabad,
Gujarat, India- 380054

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Offer") of 'Mamata Machinery Limited' (the "Company")

We, Bathiya & Associates LLP, Chartered Accountant, Statutory Auditor of the Company, have received a request from the Company to certify the possible special tax benefits, available to the Company, its shareholders and its material subsidiary under the direct and indirect tax laws presently in force in India and under the applicable tax laws of the material subsidiary, as on the date of this certificate.

Management responsibility

The preparation of the statement attached to this certificate is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design and implementation of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The Company is responsible for preparation of the restated consolidated financial statements of the Company for the three months period ended June 30, 2024 and for the Financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and, in accordance with the Companies Act, 2013, as amended and Indian Accounting Standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Auditor's Responsibility

This report is issued in accordance with the Engagement Letter dated 21st June, 2024.

We hereby report that the enclosed Annexure I prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company its shareholders and its material subsidiary, under direct and indirect taxes (together "the Tax Laws"), presently in force in India and applicable laws of the material subsidiary as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its material subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business conditions that the Company may face in the future and

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accordingly, the Company, its shareholders and its material subsidiary may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure I cover the possible special tax benefits available to the Company, its shareholders and its material subsidiary but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure I and its contents is the responsibility of the management of the Company and is not exhaustive. 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 with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising of Offer for sale of the Equity Shares by the Selling Shareholders 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement. We have relied on confirmation letter issued by Certified Public Accountant (CPA) of USA (United States of America) as provided by the management of Mamata Machinery Limited with respect to special tax benefit available to material subsidiary i.e. Mamata Enterprises Inc operating in USA.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

Conclusion

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

- i) the Company, its shareholders and its material subsidiary 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 the enclosed Annexures 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.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws 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 shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Restriction on Use

This certificate is for information and for inclusion (in part or full) in the red herring prospectus ("RHP") and the prospectus ("Prospectus") to be filed in relation to the Offer (collectively, the "Offer Documents") or any other Offer -related material, and may be relied upon by the Company, the Book Running Lead Manager and the legal advisors appointed by the Company and the Book Running Lead Manager in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Ahmedabad ("RoC"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Manager and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Manager, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

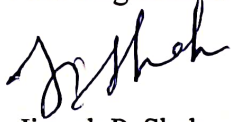


We undertake to update you in writing of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges, provided that our engagement with the Company is ongoing and we have been informed in writing by the Company on the changes in the contents/facts provided to us earlier and which are relating to the content of this certificate . In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For Bathiya & Associates LLP
Chartered Accountants
Firm Registration No. 101046W/W100063

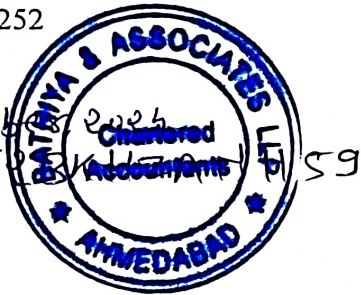


Jimesh P. Shah
Partner
Membership No.: 169252

Place: Ahmedabad

Date: 11th December 2024

UDIN: 24169252



Encl: As above

ANNEXURE I

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS AND TO THE MATERIAL SUBSIDIARY OF THE COMPANY UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS AND OTHER APPLICABLE TAX LAWS.

I. Special tax benefits available to the Company

A.

Direct Tax

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Lower corporate tax rates on income of domestic companies - Section 115BAA of the Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2021-22 relevant to AY 2022-23 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the Company not availing any of the following specified tax exemptions/incentives under the Act:

- i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- vi. Deduction under section 35CCD (Expenditure on skill development)
- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
- viii. 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 from clause i) to vii) above.
- ix. 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 from clause i) to vii) above. Further, it was 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.

Note: The Company has opted the lower rate benefit for the financial year 2021-22 relevant to the assessment year 2022-23 as mentioned in the Section 115BAA for which declaration for the same has already been filed with the tax authority

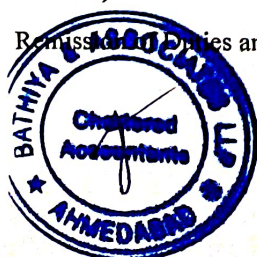
B.

Indirect Tax

1.

Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

Remission of Duties and Taxes on Exported Products (RoDTEP)



The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms.

RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) and will replace all these schemes once come in operations.

At present, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3%. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip.

2.

Benefits of Duty Drawback scheme under Sections 74 and 75 of the Customs Act, 1962

Section 74 of the Act grants duty drawback up to 98% of the import duty paid on goods, if the goods are reexported by the importer. The importer is entitled to drawback subject to the fulfilment of the certain conditions. Presently the rate of Duty Drawback ranges from 0% to 95%.

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 goods. Unlike drawback of a portion of the customs duty paid on imported goods, 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 amount of drawback payable on such goods.

- Duty Concession on Import against Advance License
- Duty Concession in respect of import of certain product

II. Special tax benefits available to the Shareholders

There are no special tax benefits available to the shareholders of the Company for investing in the shares of the Company.

III. Special tax benefits available to the material subsidiary

There are no special tax benefits available to the material subsidiary of the Company under the applicable tax laws.

