



# S K Jha & Co.

## CHARTERED ACCOUNTANTS

Office : 204, Iscon Plaza, Nr. ISRO, Satellite Road, Satellite, Ahmedabad-380015.  
Tel : +91 79 48901576 Telefax : 079-26926104 • Mob : + 91 98240 44820 • www.caskjha.com • Email : satyendrajha@hotmail.com, skjha5@hotmail.com

### STATEMENT OF POSSIBLE TAX BENEFITS

#### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHREE MARUTINANDAN TUBES LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

17<sup>th</sup> July, 2023

To,  
The Board of Directors,  
SHREE MARUTINANDAN TUBES LIMITED  
A-21, Second Floor, Amrapali Complex,  
S.P Ring Road, Bopal, Ahmedabad (G.J.) - 380058.

Dear Sir,

Subject - Statement of Special tax benefits ("the statement") available to Shree Marutinandan Tubes Limited ("the company") and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended ("Regulations")

#### Reference-Initial Public Offer of Equity Shares by Shree Marutinandan Tubes Limited

We have been requested by the company to issue a report to the special tax benefits available to the Company and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed initial public issue of the Company (the "Issue"). The statement has been prepared by the management of the Company and stamped by us for identification purpose only.

The statement showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions Income-tax Act 1961 ("IT Act") and Indirect Tax Regulations (which are defined in Annexure I, together, the "Tax laws") as amended by Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to AY 2024-25 for inclusion in the Letter of Offer ("LOF") for the Issue.

These possible special tax benefits are dependent on the Company and the shareholders of the company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.



The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure-I 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 consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the initial public issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

#### Limitation

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. 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.

For, S K Jha & Co.

Chartered Accountants

FRN: 126173W



Nikhil Makhija

Partner

M.No. 176178

UDIN: **23176178BGVPLQ4744**



Date: 17.07.2023

Place: Ahmedabad

**ANNEXURE I  
STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible direct and indirect tax benefits in the hands of Shree Marutinandan Tubes 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 benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation in the shares 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.

The tax benefits stated below are as per the Income tax Act, 1961("IT Act") as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25 and Indirect Tax Regulations as amended from time to time and applicable financial year 2023-24.

**A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY**

**Special tax benefits available to the Company under IT Act**

**Lower Corporate Tax Rate under section 115BAA**

A new section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (AY 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions/incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company is eligible to exercise the above option.



**Special tax benefits available to the Shareholders under IT Act**

There are no special tax benefits available to the shareholders of the Company under the provisions of the Act.

**B. SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY**

**Special tax benefits available to the Company under Indirect Tax Regulations**

The Company is not eligible for any special tax benefits under the Indirect Tax Regulations.

**Special tax benefits available to the Shareholders under Indirect Tax Regulations**

The shareholders are not eligible for any special tax benefits under the Indirect Tax Regulations.

Note:- For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the Indirect Tax Regulations.

**Note:**

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. 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. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Initial Public Issue under the Regulations as amended.

**For an on behalf of the Board of Directors  
Shree Marutinandan Tubes Limited**

Name:

Designation:

Date: 17.07.2023

Place: Ahmedabad

