
STATEMENT OF TAX BENEFITS

July 26, 2025

To,
The Board of Directors
Mangal Electrical Industries Limited
(Formerly known as Mangal Electrical Industries Private Limited)
C-61 (A), Road No. 1-C, V. K. I. Area,
Jaipur, Rajasthan – 302013,

Systematix Corporate Services Limited
The Capital, A-Wing, No. 603-606, 6th Floor,
Plot No. C-70, G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051
Maharashtra, India

(Systematix Corporate Services Limited is appointed and referred to as the “Book Running Lead Manager” or “BRLM” in relation to the Issue)

Dear Sir(s),

Re.: Certificate on Statement of Tax Benefits

Sub: Proposed initial public offering of equity shares of ₹ 10/- each (the “Equity Shares”) of Mangal Electrical Industries Limited (Formerly Known as Mangal Electrical Industries Private Limited) (the “Company” and such offering, the “Issue”)

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1. We, A. Bafna & Co., Chartered Accountants, Firm Registration Number: 003660C (hereinafter referred as “Statutory Auditors”) of the company, have issued this certificate in terms of our engagement letter dated September 2, 2024 and subsequent addendum dated December 23, 2024 & July 23, 2025, have been informed that the Company has filed the Draft Red Herring Prospectus with respect to the Offer (the “DRHP”) with the Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) dated December 24, 2024 in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and subsequently proposes to file (i) Red Herring Prospectus proposed to be filed with the Registrar of Companies, Jaipur at Jaipur Rajasthan (“Registrar of Companies” and such Red

Herring Prospectus, the “RHP”) and thereafter with SEBI and the Stock Exchanges; (ii) Prospectus proposed to be filed with the Registrar of Companies and thereafter with SEBI and the Stock Exchanges (“Prospectus”); and (iii) any other documents or materials to be issued in relation to the Issue (collectively with the RHP and Prospectus, the “Issue Documents”).

2. We hereby confirm the enclosed statement (“Statement”) in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under Income-tax Act, 1961 (‘Act’) presently in force in India viz. the Income-tax Act, 1961, (‘Act’), the Income-tax Rules, 1962, (‘Rules’), regulations, circulars and notifications issued thereon, as applicable to the Assessment Year 2026-27 relevant to the Financial Year 2025-26, possible special tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2025 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year (“FY”) 2025-26 relevant to the Assessment Year (“AY”) 2026-27 presently in force in India for inclusion in the Red Herring Prospectus and the Prospectus (collectively, the “ Issue Documents”) for the proposed initial, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.
3. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
4. Our views are based on the existing provisions of law 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.



5. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

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

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

7. The benefits discussed in the enclosed annexure are not exhaustive. 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 Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

8. 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 with.
c. The revenue authorities/courts will concur with the views expressed herein.

9. 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.

10. The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

11. We hereby give consent to include this statement of tax benefits in the Issue Documents.

12. Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Issue Documents.



13. 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. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to 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 any other person in respect of this statement

Your sincerely,

For A Bafna & Co
Chartered Accountants
FRN – 003660C

Vivek Gupta

Vivek Gupta
(Partner)

M. No. – 400543

UDIN - 25400543 BMLIGW1061



Date – July 26, 2025

Place – Jaipur

Annexure A

STATEMENT OF TAX BENEFITS TO COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Direct Taxes & Indirect Taxes laws presently in force in India. It 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 Equity 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.

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders under the Tax Laws.

I. TAXABILITY UNDER THE INCOME-TAX ACT, 1961 (HEREINAFTER REFERRED TO AS 'THE ACT')

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Tax Laws.

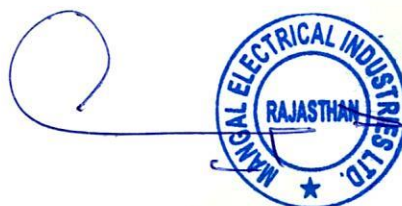
2. General tax benefits available to the Company

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

a) Benefit of lower rate of tax under Section 115BAA of the Act and corresponding benefit under Minimum Alternative Tax ('MAT') provisions under section 115JB of the Act

Section 115BAA has been inserted in the Act by the Finance Act, w.e.f. FY 2019-20 (AY 2020-21), which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to the condition that the Company does not claim the deductions/incentives as specified in subclause 2(i) of 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 of a specific year. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company has opted for the lower tax regime under section 115BAA from FY 2019-20.



b) Deduction for additional employee cost

As per the provisions of section 80JJAA of the Act, 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. The eligibility to claim the deduction is subject to fulfilment of conditions prescribed in the Act.

c) Taxation on dividend income

According to the Finance Act, 2020 any income by way of dividends or income from equity shares are now taxable in the hands of shareholder at the applicable rate and the domestic company or specified company are not required to pay any dividend distribution tax ("DDT") w.e.f. 01.04.2020.

d) Section 35D

As per the provisions of Section 35D of the Act, the Company may be entitled to amortize preliminary expenditure, being specific expenditure incurred in connection with the issue for public subscription or being other expenditure as prescribed under this Section. This is subject to the specified limit under the Act i.e., maximum 5% of the cost of the project or 5% of the capital employed in the business of the company. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation

3. Special tax benefits available to the Shareholders

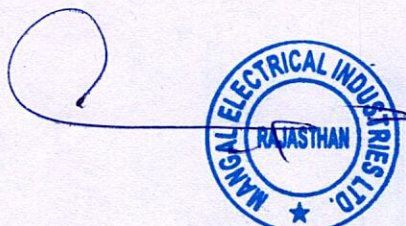
There are no special tax benefits available to the shareholders under the Tax Laws. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

4. General tax benefits available to the Shareholders

- a) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act (as discussed above) would be available on fulfilling the conditions.
- b) As per section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be taxed at 12.5% in respect of transfers on or after 23 July 2024 after considering basic exemption of INR 125,000.
- c) As per section 111A of the Act, short term capital gains arising from transfer of an equity share shall be taxed at 20% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.
- d) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the relevant country subject to entitlement.

NOTES:


1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.



3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Initialled for Identification Purposes
For A Bafna & Co
Chartered Accountants
Firm's Registration No.: 003660C



Vivek Gupta
Partner
Membership No. 400543
Place: Jaipur
Date: July 26, 2025

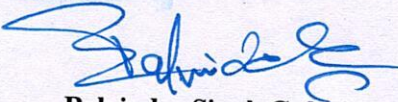



Certified to be True & Correct
For and on behalf of the Board of Directors of
Mangal Electrical Industries Limited
(Formerly known as Mangal Electrical
Industries Private Limited)




Rahul Mangal
Managing Director
(DIN No: 01591411)


Ashish Mangal
Non-Executive Director
(DIN No: 00432213)


Balvinder Singh Guleri
Company Secretary
M No.: A44874
Place: Jaipur


Pawan Mendiratta
Chief Financial Officer

II. TAXABILITY UNDER THE INDIRECT TAXATION

Based on the various documents and the evidences produced before us and discussion with the Management, we would like to certify that the Company and its material subsidiary are not availing any special tax benefit or exemption from tax which is contingent upon fulfilment of conditions nor any other similar special tax benefits, other than stated below:

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Tax Laws.

Under Goods and Services Tax Act (the Act):

- i) Goods and Services Tax (GST) is a destination-based tax which is levied on supply of goods or services. Brief framework is as below –
 - a) A taxable supply includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration in the course or furtherance of business. Such supply is chargeable to tax at applicable rates with the standard rate being 18%.
 - b) GST is not chargeable on exempt supplies. Exempt supplies are those which either attract NIL tax rate or have been made exempt by way of notification. Taxpayers are not entitled to claim Input Tax Credit on exempt supplies.
 - c) Exports of goods or services are zero-rated supplies. As per Section 2(6) of the IGST Act, the services shall qualify as 'export of services' when:
 - i. the supplier of service is located in India;
 - ii. the recipient of service is located outside India;
 - iii. the place of supply of service is outside India;
 - iv. the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and
 - v. the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8.
- Further, the exporter has the option to –
- a. supply goods or services under bond or Letter of Undertaking (LUT) without payment of tax and claim refund of unutilized ITC; or
 - b. supply goods or services on payment of tax and claim refund of such tax paid.

Under Custom Act (the Act) (Related to one unit of the company located in SEZ) :

- i) As per Notification 64/2017-Customs dated 5th July, 2017, subject to conditions prescribed, any supply to an SEZ unit is exempt from the levy of Integrated Goods and Service Tax Act, 2017.
- ii) As per Section 26 of the SEZ Act, 2005, subject to conditions prescribed under the Act, import of goods by Units in SEZ is exempted from any duty of customs leviable under Customs Act, 1962 or the Customs Tariff Act, 1975.



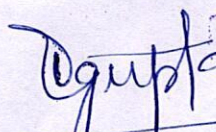
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No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

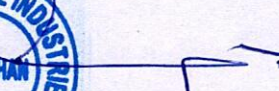
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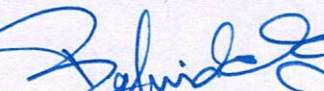

Vivek Gupta
Partner
Membership No. 400543
Place: Jaipur
Date: July 26, 2025




**Certified to be True & Correct
For and on behalf of the Board of Directors of
Mangal Electrical Industries Limited
(Formerly known as Mangal Electrical
Industries Private Limited)**


Rahul Mangal
Managing Director
(DIN No: 01591411)


Ashish Mangal
Non-Executive Director
(DIN No: 00432213)


Balvinder Singh Guleri
Company Secretary
M No.: A44874
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