

**10. CERTIFICATE ON SPECIAL TAX BENEFITS**  
**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS**  
**SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To,

**The Board of Directors,**  
**ATC Energies System Limited**  
Unit No. 3, Plot No. 33, New India Industrial Estate,  
Mahal IN AR, Off MC Rd., Andheri East,  
Mumbai – 400093,  
Maharashtra, India.  
(The “Company”)

**AND**

**Indorient Financial Services Limited**  
B/805, Rustomjee Central Park,  
Andheri Kurla Road, Chakala,  
Mumbai – 400093, Maharashtra, India

(Indorient Financial Services Limited referred to as the “Book Running Lead Manager”/ “BRLM”)

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Offer”) of ‘ATC Energies System Limited’ (the “Company”)**

This report is issued in accordance with the Engagement Letter dated 23<sup>rd</sup> January, 2024.

We hereby report that the enclosed **Annexure I** states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together “the Tax Laws”), presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and 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 and its shareholders may or may not choose to fulfill.

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 a fresh issue of the Equity Shares by the Company 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 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.

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

- i) the Company and 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 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.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Offer. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

**232, Udyog Bhavan,  
Sonawala Lane, Goregaon East,  
Mumbai - 400063, Maharashtra  
(L) 022 4979 6877 (H) +91 9819096877**



**A KASLIWAL & COMPANY**  
**Chartered Accountants**

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For and on behalf of  
For **A Kasliwal & Company**  
*Chartered Accountants*  
FRN 011727C



**Ambar Kasliwal**  
M. No.402210  
UDIN:- 25402210BMMMLP5118

Place: Mumbai  
Date: March 17, 2025

## ANNEXURE I

### A. Special Tax Benefits Available to the Company

#### 1. Benefits under Direct Tax Laws

##### **Special Tax Benefit u/s 115BAB of the Income Tax Act 1961:**

A beneficial Corporate Income Tax Rate of 15% (plus surcharge of 10% and applicable health and education cess of 4%) with effect from tax year 2019/20 for newly set-up domestic manufacturing companies can be availed.

The beneficial rate of 15% (plus surcharge of 10% and applicable health and education cess) can be exercised at the option of the company and is applicable on satisfaction of the following conditions, cumulatively:

- i. The company is incorporated on or after 1 October 2019 and commences manufacture or production of any article or thing on or before 31 March 2024.
- ii. The 'business' is not formed by splitting up or reconstruction of business already in existence (exception provided for undertaking formed as a result of re-establishment, reconstruction, or revival of business).
- iii. Does not use plant and machinery previously used for any purpose in India, and no depreciation has been claimed on the same.
- iv. Does not use any building previously used as a hotel or convention center for which deductions under provisions of the Income-tax Act have been claimed or allowed.
- v. The company is not engaged in any business other than the business of manufacture or production of any article or thing and research or distribution of such article or thing manufactured or produced. The following businesses will not be treated as business of manufacture or production of any article or thing:
  - o Development of computer software in any form or in any media.
  - o Conversion of marble blocks or similar items into slabs.
  - o Bottling of gas into cylinder.
  - o Printing of books or production of cinematograph films.
  - o Any other business notified in this behalf.
- vi. The company has not claimed a benefit for establishing its unit in an SEZ, benefit of accelerated depreciation, or benefit of additional depreciation, investment allowances, expenditure on scientific research, and any deduction in respect of certain income other than deduction in respect of employment of new employees.
- vii. The company has not claimed set-off of loss and unabsorbed depreciation carried forward from any earlier years, including set-off of any unabsorbed depreciation and losses relating to loss/depreciation on amalgamation, provided such loss is attributable to the deductions referred to in (vi) above.
- viii. In case difficulty arises in non-fulfilment of certain conditions in this section, the Indian Revenue Department may issue guidelines for removing the difficulty.
- ix. The option of seeking the benefit of a reduced CIT rate of 15% is furnished in the prescribed manner before the due date of furnishing of income.
- x. Domestic transfer pricing provision will be applicable for these companies.
- xi. Companies exercising this option have been excluded from the applicability of provisions of MAT and MAT credit.

Benefit of the above provision of reduced tax rate will not be available in the year of non-compliance and all the subsequent years and other provisions of the Income-tax Act will apply as if the option has not been exercised from the year of non-compliance. However, such company may exercise an option to be governed under provisions of reduced tax rate of 22% (plus surcharge of 10% and applicable health and education cess).

## **2. Benefits under Indirect Tax Laws**

There is no special benefit availed/ available to the company under various Indirect Tax Laws.

### **B. Special Tax Benefits Available to the Shareholders**

Solely in relation to the offer, there are no special indirect tax benefits available to the shareholders of the Company

#### **Notes:**

1. The above Statement is as per the current Tax Laws prevalent as on the date of issuance of this certificate.
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.
4. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
5. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, 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.
6. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
7. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
8. 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 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 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.