S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

Certificate on statement of tax benefits

Dated: August 21, 2026

To,

The Board of Directors
Kanohar Electricals Limited
Rithani Delhi Road
Meerut 250 103
Uttar Pradesh, India

Nuvama Wealth Management Limited
801 - 804, Wing A
Building No 3, Inspire BKC
G Block, Bandra Kurla Complex
Bandra East
Mumbai 400 051
Maharashtra, India

IIFL Capital Services Limited
(*formerly known as IIFL Securities Limited*)
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India

(Nuvama Wealth Management Limited, IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) and any other book running lead managers who may be appointed in relation to the Offer are collectively referred to as the "**Book Running Lead Managers**" or the "**BRLMs**")

Dear Sirs/Madams,

Subject: Certification on statement of tax benefits

Re: Proposed initial public offering of equity shares (the "Equity Shares") by Kanohar Electricals Limited (the "Company") comprising of a fresh issue of Equity Shares ("Fresh Issue") and an offer for sale of Equity Shares by certain shareholders of the Company ("Offer for Sale" and together with the Fresh Issue, the "Offer").

1. We, S S Kothari Mehta & Company, chartered accountants, are the statutory auditors of the Company ("Statutory Auditors") and have been informed that the Company proposes to file the red herring prospectus ("RHP") and the prospectus ("Prospectus") with the Registrar of Companies, Uttar Pradesh-II at Noida ("ROC") and thereafter, with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), 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").

2. This report is issued in accordance with the terms of our engagement letter dated February 25, 2025.

3. We hereby report that the enclosed statement of special tax benefit (the "**Statement**") (hereto enclosed as "**Annexure A**") prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company, and its shareholders.

4. We hereby confirm the enclosed statement in the **Annexure A** provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 2025 ("**ITA, 2025**") as amended by the Finance Act, 2026, and to the extent applicable, the Income-tax Act, 1961 ("**ITA, 1961**"), read with the Income-tax Rules, 2026 and, to the extent applicable, the Income-tax Rules, 1962 (collectively referred to as the "**Direct Tax Laws**") , the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, applicable goods and services tax legislations, as promulgated by various states in India, Customs Act, 1962 and the Customs Tariff Act, 1975 including the rules, regulations, circulars, orders and notifications issued thereunder (collectively the "**Taxation Laws**"), including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws as presently in force in India and applicable to the tax year 2026-27 for inclusion in the Offer documents.

5. These information provided below sets out the possible special direct tax & indirect tax benefits available to the Company, and it's Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation 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 fulfil.

6. The benefits discussed in the enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. The Statement is 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

S S KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants tax implications arising out of their participation in the proposed initial public offer of equity shares of the Company (the "**Proposed Offer**") 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 the Statement.

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

8. We hereby confirm that while providing this certificate 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,' issued by the ICAI. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the **ICAI** which requires that we comply with ethical requirements of the Code of Ethics issued by the **ICAI** and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019).

9. We do not express any opinion or provide any assurance as to whether:
   a) the Company and its shareholders will continue to obtain these possible special tax benefits in future; Or
   b) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

10. 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.

11. 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 Taxation 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.

12. We hereby give consent to include this Statement in the RHP and Prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

S S KOTHARI MEHTA & COMPANY
NEW DELHI
Chartered Accountants

Yours faithfully,

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No: 022150N

NAVEEN AGGARWAL
Digitally signed by NAVEEN AGGARWAL
Date: 2026.08.21 21:57:24 +05'30'

S S KOTHARI MEHTA & COMPANY
NEW DELHI
Chartered Accountants

Naveen Aggarwal
Partner
Membership No.: 094380
UDIN: 26094380APMMMX4906
Place: New Delhi

Encl: Annexure-A

Annexure A

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KANOHAR ELECTRICALS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

UNDER THE DIRECT TAX LAWS

1. Possible special tax benefits available to the Company under the ITA, 2025 as amended by the Finance Act, 2026, and to the extent applicable, the ITA, 1961, read with the Income-tax Rules, 2026 and, to the extent applicable, the Income-tax Rules, 1962, along with applicable circulars and notifications issued thereunder (collectively referred to as the "**Direct Tax Laws**") as applicable for tax year 2026-27 onwards.

Lower corporate tax rates on income of domestic companies under section 200 of the ITA, 2025 (erstwhile section 115BAA of the ITA, 1961)

The ITA, 2025 continues the optional concessional tax regime for domestic companies through section 200 of the ITA, 2025 (erstwhile section 115BAA of the ITA,1961), wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The concessional tax regime has been inserted with effect from FY 2019-20. However, once opted for concessional rate of taxation under the said section, it cannot be subsequently withdrawn.

The total income of a domestic company availing the concessional rate of 25.168% [i.e., basic tax rate (22%) plus surcharge (10%) and health and education cess (4%)] is required to be computed without set-off of any brought forward business loss or unabsorbed depreciation attributable to any of the deductions/incentives provided under section 200 of the ITA, 2025. Further, provisions of Minimum Alternate Tax ("**MAT**") under section 206 of the ITA, 2025 (erstwhile section 115JB of the ITA, 1961) shall not be applicable to domestic companies availing this concessional tax rate and thus, any brought forward MAT credit also cannot be claimed. However, existing unutilized MAT credit as on March 31, 2026 can be brought forward and utilized by domestic companies if they opt first time for the concessional tax regime from tax year 2026-27 and onwards, subject to a limit of 25% of the normal tax liability for that year.

The domestic Company shall be entitled to claim deduction under section 148 of the ITA, 2025 (erstwhile section 80M of the ITA, 1961) and section 146 of ITA, 2025 (erstwhile section 80JJAA of the ITA, 1961), even if it has opted for concessional rate.

The Company has already evaluated and opted for the lower corporate tax rate of 25.168%, as prescribed under section 200 of the ITA, 2025 (erstwhile section 115BAA of the ITA, 1961).

- **Deduction with respect to inter-corporate dividends – section 148 of the ITA, 2025 (erstwhile section 80M of the ITA, 1961)**

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Earlier, company was liable to pay Dividend Distribution Tax ("**DDT**") on the dividend paid by it to a shareholder and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT has been abolished and dividend received by shareholders on or after April 1, 2020 is liable to be taxed in their respective hands. The Company is required to deduct Tax at Source ("**TDS**") at applicable rate for both resident and non-resident shareholders. For non-resident shareholders, the rate would be subject to the benefit available under applicable Double Taxation Avoidance Agreement (if any) and multi-lateral instruments.

With respect to a resident corporate shareholder, section 148 of the ITA, 2025 (section 80M of the erstwhile ITA, 1961) had been inserted to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall be allowed deduction of an amount which will be lower of the following: -

- Dividends received from such other domestic company or foreign company or business trust; or
- Amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 263 of the ITA, 2025 (erstwhile sub-section (1) of section 139 of the ITA, 1961)

- **<u>Deductions in respect of employment of new employees – section 146 of the ITA, 2025 (erstwhile section 80JJAA of the ITA, 1961).</u>**

  As per section 146 of the ITA, 2025, where a company is subject to tax audit under section 63 of the ITA, 2025 (erstwhile section 44AB of the ITA, 1961) and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business for three consecutive tax years, beginning from the tax year in which the employment is provided, subject to fulfilment of the conditions prescribed in the ITA, 2025.

2. <u>Special tax benefit available to the Shareholders of the Company.</u>

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the direct tax laws.

UNDER THE INDIRECT TAX LAWS

1. Special tax benefits available to the Company - Nil
2. Special tax benefits available to the Shareholders - Nil

Notes:

S S KOTHARI MEHTA & COMPANY NEW DELHI Chartered Accountants

1. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws.

2. The above Statement set out 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.

3. This Statement is intended only 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 tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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

S S KOTHARI MEHTA & COMPANY
NEW DELHI
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