



Bangkok International Audit

Date: 02 March 2024

The Board of Directors

DEE DEVELOPMENT ENGINEERS LIMITED

Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal
Haryana – 121102, India

DEE PIPING SYSTEMS (THAILAND) CO., LTD.

59, 59/8 Moo.6, Thakham sub - district,
Bangpakong district, Chachoengsao province.
Thailand.

Dear Sirs/Madams,

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DEE PIPING SYSTEMS (THAILAND) CO., LTD ("COMPANY") AND IT'S SHAREHOLDERS UNDER THE THAILAND TAX LAWS

BACKGROUND

M/s DEE Development Engineers Limited a company registered in India under the Companies Act, 1956 hereinafter referred as "**Holding Company**".

M/s DEE Piping Systems (Thailand) Co., Ltd is a company incorporated under the Thai Commercial Code, Thailand hereinafter referred as "**Subsidiary Company**". The entire shareholding of the "**Subsidiary Company**" is being held by its Holding Company.

Whereas the "**Subsidiary Company**" acquired a running business in 2016 by making an investment through the Board of Investment, Thailand (hereinafter referred to as "Promoted



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Business"). And by virtue of that acquisition, Board of Investment, Thailand which is the regulatory authority regulating Investment Promotion Act, 1977 (hereinafter referred to as the "Act") has allowed the "**Subsidiary Company**" certain privileges in terms of its business.

Whereas the Holding Company is willing to issue shares to the Public at large through an Initial Public Offer under the various laws applicable in India in this regard.

Now the Undersigned who is a Certified Public Accountant and certify the Annual Accounts of the "**Subsidiary Company**" under the Thailand Laws has been requested to issue a certificate in respect of various special tax benefits available to the "**Subsidiary Company**" and its shareholders.

We Hereby certify in respect of various Special Tax Benefits available to the "Subsidiary Company" and its Shareholders as under :

I. SPECIAL TAX BENEFITS AVAILABLE TO THE "SUBSIDIARY COMPANY"

Pursuant to the promotion certificate No. 59-1507-1-00-1-0 dated 11 November 2016 and effective from 2 February 2016, the "**Subsidiary Company**" has been granted promotional privileges from the Board of Investment for the investment in fabrication industry or platform for industry with engineering design. The promotion privileges included, among other things, the following tax benefits:

1. Section 28 of the Act, grants exemption of import duty on machinery as approved by the Board of Investment, Thailand.
2. Paragraph One of section 31 of the Act, grants exemption of corporate income tax on profit derived from the Promoted Business which is not over 100% of its investment that excluded cost of land and working capital for the period of 7 years from the date income is first derived from the Promoted Business.

3. Paragraph Three of section 31 of the Act, grants the income to be taken into computation of net profit derived from the activity as referred in paragraph One shall include incomes from the sale of byproducts i.e. scrap or waste from production process.
4. Paragraph Four of section 31 of the Act, in case a loss shall be incurred during the period of receiving corporate income tax exemption as referred in paragraph One, the Promoted Business is allowed to carry over the loss to deduct from net profit derived after tax holidays period for 5 years after the end of the exempted period. The Promoted Business may deduct the loss from net profit of one year or several years.
5. Section 35 (1) of the Act, grants 50% reduction of corporate income tax on net profit derived from the investment for 5 years after the end of the period as referred in section 31 Paragraph One.
6. Section 36 (1) of the Act, grants an exemption of import duty on raw and essential materials needed to be imported for specifically use in producing products for export.
7. Section 36 (2) of the Act, grants an exemption of import duty on item imported for export.

The “**Subsidiary Company**” must comply with certain conditions and restrictions provided in the promotional certificates for such special tax benefits to be availed. The “**Subsidiary Company**” will only receive income tax exemptions for the income specified in the promotional certificates (fabrication industry or platform for industry with engineering design).

II. **SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE “SUBSIDIARY COMPANY”**

1. Section 34 of the Act, states that the dividends derived from the promoted activity granted an exemption on corporate income tax under Section 31 shall be exempted from tax computation throughout the period of corporate income tax exemption.



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This statement is issued solely in connection with the Proposed Initial Public Offer of the Holding Company. The statement is intended solely for your information and for inclusion in the Red Herring Prospectus (RHP) and the Prospectus to be filed with Registrar of Companies, N.C.T. of Delhi and Haryana at ("RoC") Stock Exchanges and Securities and Exchange Board of India (Prospectus and together with DRHP and RHP, the "**Offer Documents**") and any other material in connection with the Initial Public Offer. We hereby give our consent to submit this certificate as may be necessary to SEBI, the RoC, the relevant stock exchanges or any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers appointed by the Holding Company in relation to the Offer ("BRLMs") and in accordance with applicable laws in India.

We confirm that we will immediately inform the Holding Company and the BRLMs of any changes to the above information in writing until the date when the equity shares of the Holding Company commence trading on the stock exchange(s) where the Equity Shares are proposed to be listed (the "Stock Exchanges"). In the absence of any such communication from us, the BRLMs, and the legal counsel to each of the Holding Company and Lead Managers can assume that there is no change to the above information until the date when the Equity Shares are listed and commence trading on the Stock Exchanges pursuant to the Offer.

DISCLAIMERS

1. The benefits discussed as above are not exhaustive. We are informed that the information written above are only intended to provide general information to the investors and are 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 offer.

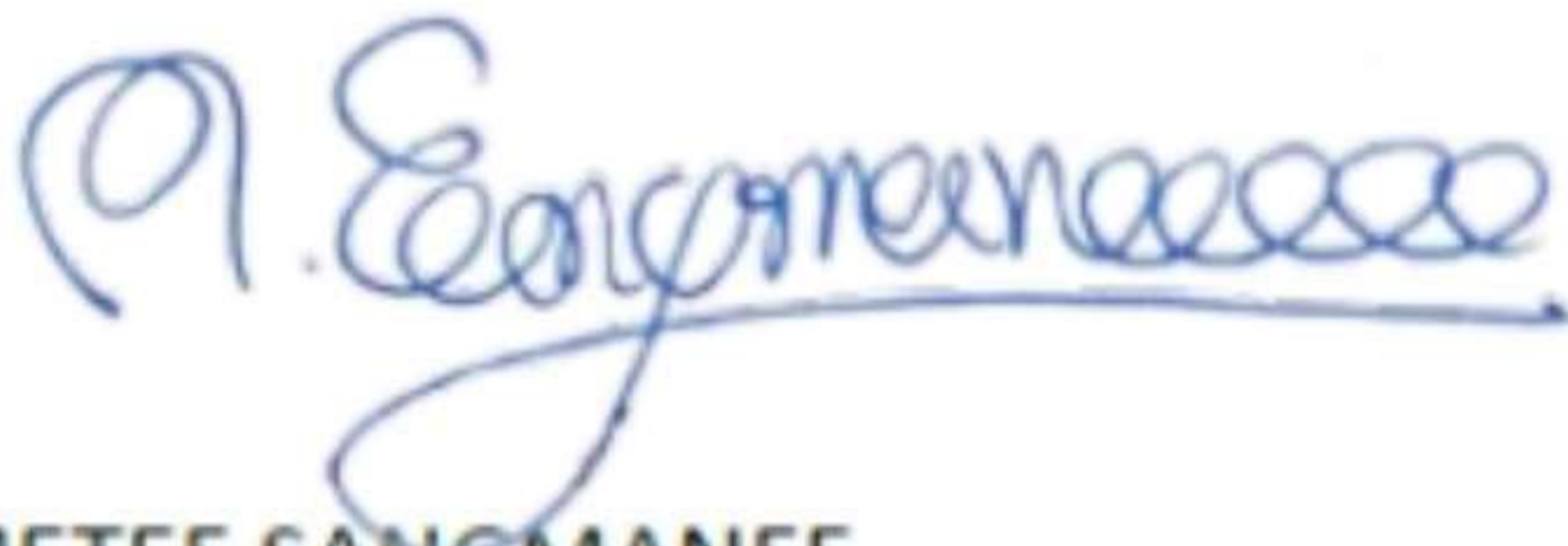
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2. We do not express any opinion or provide any assurance as to whether:
 - i) the “**Subsidiary Company**” or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the above certificate are based on information, explanations and representations obtained from the “**Subsidiary Company**” and on the basis of their understanding of the business activities and operations of the “**Subsidiary Company**”.

3. This Statement is issued solely in connection with the proposed Initial Public Offer of the Holding Company and is not to be used, referred to or distributed for any other purpose.



METEE SANGMANEE

Certified Public Accountant (Thailand) No. 5061

Bangkok International Audit Co., Ltd

02.03.2024