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Chartered Accountants  
701 Stanford, S V Road,  
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Maharashtra, India.

**Mishra Rajiv Kamal & Associates**  
Chartered Accountants  
221 B, City Centre 570,  
MG Road, Indore- 452001,  
Madhya Pradesh, India.

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**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS**

To,  
**The Board of Directors**  
**Balaji Phosphates Limited**  
305 Utsav Avenue,  
12/5 Usha Ganj Jaora Compound,  
Indore G.P.O., Indore, Madhya Pradesh, India, 452001

Sub: Statement of possible special tax benefits available to (Balaji Phosphates Limited) (“the Company”) and the shareholders of the Company prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”)

We, Bagaria & Co. LLP, (“BNC”) and Mishra Rajesh Kamal & Associates (“MRK”), (BNC and MRK are collectively referred to “Joint Auditors” and the references to the Joint Auditors as “we”, “us” or “our”, in this certificate, shall be construed accordingly), hereby confirm that the enclosed Annexure A, prepared by the Company and initialed by us and the Company for identification purpose (“**Statement**”) for the proposed initial public offering of equity shares of the Company (“**Offer**”), provides the possible special tax benefits available to the Company and to its shareholders under the Income Tax Act, 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2024, i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India and under indirect taxation laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives that the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed Statement cover only 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. The benefits discussed in the enclosed Statement are not exhaustive. 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 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 Offer.

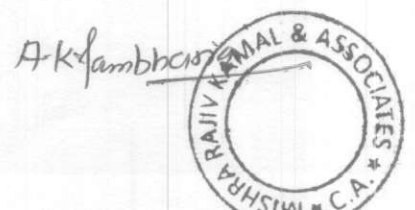
We do not express any opinion or provide any assurance as to whether:

- i. the Company and/or its shareholders will continue to obtain these possible special tax benefits in the future; or
- ii. the conditions prescribed for availing of the benefits, where applicable have been/would be met with.

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.

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 have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with



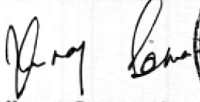
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**Mishra Rajiv Kamal &  
Associates**  
Chartered Accountants

ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

**For Bagaria & Co LLP**  
Chartered Accountants

FRN: 113447W/W



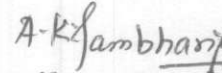
**Vinay Somani**  
Partner

Membership No.: 143503  
UDIN: 25143503BMIBLG9660  
Place: Mumbai  
Date: February 20, 2025



**For Mishra Rajiv Kamal & Associates**  
Chartered Accountants

FRN.: 006752C



**Akshaya Kumar Sambharia**  
Partner

Membership No.: 071628  
UDIN: 25071628BMMKIV4850  
Place: Indore  
Date: February 20, 2025



**ANNEXURE A TO STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA**

Under the Income Tax act, 1961 as amended by the Finance Act 2024 read with the Income Tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 and relevant to the Assessment Year 2025-26 (hereinafter referred to as "IT Act")

**1. Special tax benefits available to the Company under the IT Act:**

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

**2. Special Tax Benefits to the Shareholders under the IT Act:**

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

**Notes:**

- a. The above Annexure of 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 potential tax consequences.
- b. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the Financial Year 2024 - 25 relevant to the Assessment Year 2025 - 26. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct tax and Indirect Tax Laws.
- c. The above Annexure covers only the special direct tax benefits under the relevant Acts, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- d. Benefit of lower rate of tax under Section 115BAA of the IT Act and corresponding exemption from applicability of Minimum Alternate tax ("MAT") provisions under section 115JB of the Act. As per the Taxation Law (Amendment) Act, 2019, no.46 of 2019, a new section 115BAA has been introduced in the IT Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from financial year 2019-20, all domestic companies shall have an option to pay income tax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will not avail specified tax exemptions or incentives and other conditions as specified in sub-clause 2 of section 115BAA of the Act. Proviso to section 115BAA(4) provides that once the Company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year.

Lower corporate tax rate under Section 115BAA of the Act is in general available and hence may not be treated as a special tax benefit.

The Company has opted for concessional tax rate under section 115BAA for the Assessment Year 2023-24.

- e. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. The depreciation rates in respect of motor cars, plant and machinery and office equipment is 15%, furniture & fittings and electrical equipment is 10%, intangible assets is 25% (does not include goodwill of business or profession), computers 40%, buildings (residential) is 5% and buildings (others) is 10%. Allowance for depreciation is in general available and hence may not be treated as a special tax benefit.
- f. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
- g. 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/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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 in provisions of law and its interpretations.



*A.K. Ambharia*

**ANNEXURE A TO STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA**

Under the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

**1. Special tax benefits available to the Company under the Indirect Tax Legislations:**

There are no special tax benefits available to the Company under the relevant Indirect tax legislations.

**2. Special Tax Benefits to the Shareholders under the Indirect Tax Legislations:**

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

**Notes:**

- a. The above Annexure of 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 potential tax consequences.
- b. The above Annexure of special tax benefits is as per the current Indirect tax laws relevant for the Financial Year 2024-25 relevant to the Assessment Year 2025-26. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Legislations.
- c. The above Annexure covers only the special indirect tax benefits under the relevant legislations, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- d. The above Schemes are in general available and hence may not be treated as a special tax benefit extended to the Company.
- e. 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/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- f. 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 in provisions of law and its interpretations.

