

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Shree Bala Ji Pigments Limited
Regd Off: 36-B, Industrial Ext Area,
Near Halti Marg, Kathua,
Jammu & Kashmir, India, 184102.

Dear Sir(s):

Sub: Statement of possible special tax benefit ('the Statement') available to Shree Bala ji Pigments Limited and its shareholders prepared in accordance with the requirements under Schedule VI of the SEBI (ICDR) Regulations, 2018 as amended (the 'ICDR Regulation')

We hereby confirm that the enclosed annexure, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended time to time, the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated herein are based on the information and explanations obtained from the Company. We are informed that this statement is 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, 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. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.
- the revenue authorities / courts will concur with the views expressed herein.



The contents of this annexure 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 and the provisions of the tax laws.

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 change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to 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 of intentional misconduct.

The enclosed **Annexure - A** is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours sincerely,

For S S R V and Associates
Chartered Accountants
FRN: 135901W



Vishnu Kant Kabra
Partner

Membership No.: 403437

Place: Mumbai

Date: 18 July 2024

UDIN: 24403437BKAJWR7054

Annexure – A

Annexure to the Statement of Possible Tax Benefits

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced 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 different interpretation on the benefits, which an investor can avail.

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.

1. Special Tax Benefits available to the Company under the Act:

The Company is not entitled to any Special tax benefits under the Act.

2. Special Tax Benefits available to the shareholders of the Company

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The Company is availing following Government Grants / Incentives
 - a) The unit is eligible for Capital Investment Subsidy of 30% of the Project Value (excluding value of land and building) with an upper limit of Rs. 5 crores as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
 - b) The unit is eligible for Working Capital Interest Subvention amounting to Rs 20 lakh per annum for a period of 5 years from FY 21-22 as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
 - c) The unit is eligible for Capital Interest Subvention of annual rate of interest of 6% for a period of 7 consecutive years as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
 - d) The unit is eligible for Budgetary Support of GST as per SRO 63 of Jammu & Kashmir Government dated 5th Feb, 2018.
 - e) The unit is eligible for Turnover Incentive of 2% of turnover, with an upper limit of Rs 50 lakhs per year, as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
 - f) The unit is eligible for subsidy on the cost of Pollution Control Devices of 60% subject to a maximum of Rs 50 lakhs as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
 - g) The unit is eligible for subsidy on the cost of DG Set of 100% subject to a maximum of Rs 40 lakhs as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).



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 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.

For S S R V & Associates,
Chartered Accountants
FRN: 135901W



Vishnu Kant Kabra
Partner

Membership No: 403437

Place: Mumbai

Date: 18 July 2024

UDIN: 24403437BKAJWR7054

CC:

Finshore Management Services Ltd
SEBI Registration No.: INM000012185
Anandlok Building, Block-A, 2nd Floor,
Room No. 207 & 227, A.J.C. Bose Road,
Kolkata, West Bengal, 700 020
(The "Lead Manager")