

Certificate No. 2025/423

**STATEMENT OF POSSIBLE TAX BENEFITS**

To,  
**The Board of Directors,**  
**Krupalu Metals Limited**  
(Formerly known as *Krupalu Metals Private Limited*)  
(hereinafter referred to as the "Issuer Company")  
Plot No. 4345, GIDC Phase-III, Dared Udhoghnagar,  
Jamnagar - 361009, Gujarat, India.

Dear Sir/Madam,

**Sub: Statement of possible Special tax benefit ('the Statement') available to M/s Krupalu Metals Limited (erstwhile known as M/s Krupalu Metals Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

**Ref: Proposed Initial Public Offering ("IPO") of Equity Shares by M/s Krupalu Metals Limited ("The Issuer" or "The Company")**

We refer to the proposed initial public offering of equity shares (the "Offer") of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2026-2027 relevant to the financial year 2025-26 for inclusion in the Draft Prospectus/ Prospectus ("Offer Document") for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their 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.

*[Handwritten Signature]*  
Rajkot  
FIRN: 123924W  
Page 1 of 6  
K M Chauhan & Associates  
Chartered Accountants

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 have been/would be met; or
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

## LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the 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 interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume Reliance on responsibility to update the views consequent to such changes. The statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company as required under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

The enclosed Annexure 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.

We also authorise you to deliver a copy of this certificate to SEBI, ROC and the Stock Exchanges or any other regulatory authorities as required by law.

Thanking You,  
Yours faithfully,  
For K M Chauhan & Associates  
Chartered Accountants  
Firm's Registration No: 125924W



CA Bhavdip P Poriya  
Partner  
Membership No. 154536  
Place: Rajkot  
Date: 15/04/2025  
UDIN: 25154536BMLFBE3672



**Annexure to the statement of Possible Tax Benefits**

**A. DIRECT TAXATION**

Outlined below are the possible Special tax benefits available to the Company **Krupalu Metals Limited** (Formerly known as M/s. *Krupalu Metals Private Limited*) and its shareholders under the Income Tax Act, 1961 ("The Act") presently forced in India.

***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:**

Section 115BAB of the Act, as inserted vide the Taxation Laws (Amendment) Act, 2019, provides that domestic company has to opt for a corporate tax rate of 15% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. As company opts for section 115BAB, provisions of Minimum Alternate Tax ("MAT") would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years' subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business, for three assessment years including the assessment year relevant in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ("MAT") on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

**The Company has represented to us that it has opted for section 115BAA.**

  
K M Chauhan & Associates  
Rajkot  
FIRN:  
25624W  
Chartered Accountants

## 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; However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

- i) **Dividend Income:** Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, deduction under Section 80M of the Income tax act would be available on fulfilling certain conditions.
- ii) **Tax on Long-Term Capital Gain:** As per Section 112A of the Income Tax Act, Long-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.
  - (a) On long-term capital gains at the rate of 10% (Ten per cent) for any transfer which takes place before the 23rd day of July, 2024; and
  - (b) On long-term capital gains, at the rate of 12.50% (Twelve and one-half per cent) for any transfer which takes place on or after the 23rd day of July, 2024.
- iii) **Tax on Long-Term Capital Gain:** As per Section 111A of the Income Tax Act, Short-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below-
  - (a) At the rate of 15% (Fifteen per cent) for any transfer which takes place before the 23rd day of July, 2024; and
  - (b) At the rate of 20% (Twenty per cent) for any transfer which takes place on or after the 23rd day of July, 2024.
- iv) **Double Taxation Avoidance Agreement benefit:** In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfilment of other conditions to avail the treaty benefit.



## B. INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

### 1. Special tax benefits available to the Company:

#### 1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

##### i. Remission of duties and taxes on Exported Products (RoDTEP)

Remission of duties and taxes on Exported Products (RoDTEP) scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of duty and taxes which is not refunded under any other Scheme will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 percent to 4 percent.

##### ii. Export Promotion Capital Goods (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

#### 2. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

There are no special tax benefits available to the Company under GST law.



## 2. Special tax benefits available to the shareholders of the Company

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

### Notes:

- 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.
- The above statement of Direct/Indirect Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- This 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, 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.
- This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- The views are based on the existing provisions of law 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.

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.

Thanking You,

Yours faithfully,

For K M Chauhan & Associates

Chartered Accountants

Firm's Registration No: 125924W

CA Bhavdip P Poriya

Partner

Membership No. 154536

Place: Rajkot

Date: 15/04/2025

UDIN: 25154536BMLFBE3672

