



5. STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NOVA AGRITECH LIMITED AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE TAX LAWS IN INDIA

Date: December 26th, 2023

The Board of Directors

Nova Agritech Limited

Sy.No.251/A/1., Singannaguda Village,
Mulugu Mandal Siddipet,
Medak – 502279, Telangana
India

Keynote Financial Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028, India

Bajaj Capital Limited (“Bajaj Capital”)

Mezzanine Floor,
97, Bajaj House
Nehru Place,
New Delhi 110019
India

(Keynote Financial Services Limited and Bajaj Capital Limited are referred to as the “Book Running Lead Managers”)

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares of face value of INR 2 each (the “Equity Shares”) of Nova Agritech Limited (the “Company”) and comprising a fresh issue of Equity Shares and an offer for sale of Equity Shares by Nutalapati Venkatasubbarao (“Selling Shareholder”) (Offer)

We, NSVR & Associates LLP, the Statutory Auditors of the Company, hereby report that the enclosed statement is in connection with the possible special tax benefits available to (i) the Company and, (ii) to the shareholders of the Company and (iii) material subsidiary of the Company, Nova Agri Sciences Private Limited; identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**Material Subsidiary**), under applicable tax laws presently in force in India including the Income Tax Act, 1961, as amended by the Finance Act, 2023, read with rules, circulars and notifications issued thereunder (**Act**) i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the applicable States’ Goods and Services Tax Act, the Customs Act, 1962 (**Customs Act**) and the Customs Tariff Act, 1975 (**Tariff Act**), as amended by the Finance Act 2022 including the relevant rules, notifications and circulars issued thereunder, Several of these benefits are dependent on the Company, its shareholders, and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its



shareholders, and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which based on business imperatives, the Company, its shareholders and Material Subsidiary face in the future, the Company, its shareholders and Material Subsidiary may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure 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 Material Subsidiary and Shareholders. Further, the benefits discussed in the enclosed statement are not exhaustive. 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 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:

1. The Company, its Material Subsidiary, and /or its shareholders will continue to obtain these benefits in the future; or
2. The conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Red herring prospectus (RHP) to be filed with the Securities and Exchange Board of India (SEBI), the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and together with the BSE, the Stock Exchanges and the Prospectus (Prospectus and together with RHP, the Offer Documents), to be filed with the Registrar of Companies, Telangana at Hyderabad at (ROC) and submitted to the SEBI, and the Stock Exchanges with respect to the Offer, and any other regulatory or governmental authorities, and in any other material used in connection with the Offer and on the websites of the Company and the Book Running Lead Managers in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures, in writing until the Equity Shares commence trading on the Stock Exchanges, once we are made aware of any update by the Company or that may come to our knowledge. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) which requires that we comply with 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. We have also 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.



This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Offer. We hereby consent to the submission and disclosure of this RHP to SEBI, ROC, Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the websites of the Company and the Book Running Lead Managers.

Yours faithfully.

For and on behalf of NSVR & ASSOCIATES LLP
Chartered Accountants

Firm Registration Number: 008801S/S200060



Name: Venkata Ratnam Pichikala

Designation: Partner

Membership No.: 230675

UDIN: 23230675BGWGXR8003

Place: Hyderabad

cc:

Legal Counsel to the Issue as to Indian Law

ALMT Legal

No.2, Lavelle Road

Bangalore 560001

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE LAWS IN INDIA – INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to Nova Agritech Limited (the “Company”), its Shareholders and Material Subsidiary under the Income Tax Act, 1961 (the “Act”) as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

- I. Special tax benefits available to the Company-There are no special tax benefits available to the Company
- II. Special tax benefits available to the Shareholders of the Company-There are no special tax benefits available to the shareholders of the Company.
- III. Special tax benefits available to the Material Subsidiary-There are no special tax benefits available to the Material Subsidiary.

Notes:

- 1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2023 read with relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.
- 2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3. This Annexure 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 arising out of their participation in the Issue.
- 4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
- 5. No assurance is provided 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.



ANNEXURE - 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, its Shareholders and Material Subsidiary under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, 2017 (“GST Acts”) and the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), presently in force in India.

- I.** There are no special tax benefits available to the Company.
- II.** Special tax benefits available to the Shareholders of the Company-The Shareholders of the Company are not entitled to any special tax benefits.
- III.** Special tax benefits available to the Material Subsidiary- There are no special tax benefits available to the Material Subsidiary.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), presently in force in India.
2. This Annexure 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 proposed IPO.
3. Our comments are based on our understanding of the specific activities carried out by the Company from April 1, 2020 till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.
4. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
5. These comments are based upon the existing provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
6. 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.

