

**PBG ASSOCIATES LTD**  
**CHARTERED ACCOUNTANTS & REGISTERED AUDITORS**

65 DELAMERE ROAD, HAYES, MIDDX UB4 0NN, Tel: 020 8606 6750 Fax: 020 8573 9857  
Email: info@pbgassociates.co.uk

Date: 27<sup>th</sup> October, 2025

To,

**The Board of Directors**  
**Capillary Technologies India Limited**  
#360 bearing PID No 101, 360  
15th Cross Rd, Sector 4, HSR Layout  
Bengaluru -560102  
Karnataka, India

**The Directors,**  
**Capillary Technologies Europe Limited**  
Office 3.09.B- Fora 1 Lyric Square,  
Lyric Square Hammersmith, London,  
England, W6 0NB

**STATEMENT OF SPECIAL TAX BENEFITS**

**Re: The statement of possible special tax benefits available to CAPILLARY TECHNOLOGIES EUROPE LIMITED (“Company”) in the UK.**

Dear Sir/Madam,

1. We hereby confirm that the enclosed **Annexure 1** prepared by PBG ASSOCIATES LTD, describes the special tax benefits available to Capillary Technologies Europe Limited as per the UK tax laws as stated in the enclosed Annexure -1.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“**SEBI ICDR Regulations**”). Certain of these benefits are dependent on Capillary Technologies Europe Limited satisfying conditions prescribed under the relevant provisions of the Code and/or other applicable law. Therefore, the ability of Capillary Technologies Europe Limited to derive the special tax benefits may be dependent upon the satisfaction of such conditions which, based upon various factors, that Capillary Technologies Europe Limited may or may not ultimately satisfy.
3. The benefits discussed in the enclosed Annexure(1) are not exhaustive and cover the possible special tax benefits available to Capillary Technologies Europe Limited and do not cover any general tax benefits available to Capillary Technologies Europe Limited. We are informed that the Annexure(1) 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 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 proposed initial public offering of equity shares (the “**Proposed IPO**”) by Capillary Technologies India Limited (“**Issuer**”), of which each of Capillary Technologies Europe Limited are material subsidiaries. Neither are we suggesting nor advising the investor to make any investment based on this statement of special tax benefits.
4. We do not express any opinion or provide any assurance as to whether:
  - (i) Capillary Technologies Europe Limited will continue to obtain these benefits in the future;
  - (ii) the conditions prescribed for availing the benefits have been / would be satisfied; and
  - (iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed **Annexure 1** are based on information, explanations and representations obtained from Capillary Technologies Europe Limited and on the basis of their understanding of each of

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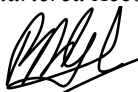
its business activities and operations. We have relied up on the information and documents obtained being true, correct and complete and have not audited or tested them. Our view, under no circumstances is to be considered as an audit opinion under any regulation or law.

6. This Statement is issued to the Board of Directors of the Issuer and BRLMs solely in connection with the proposed initial public offering of equity shares of Capillary Technologies India Limited (the “Offer”) and for disclosure in materials used in connection with the Offer (together, the “Offer Documents”) to be filed by Capillary Technologies India Limited in respect of the Offer with the Securities and Exchange Board of India, the Registrar of Companies, Karnataka at Bangalore, the Stock Exchanges pursuant to the provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as required by law in connection with the Offer and in accordance with applicable law, and is not to be used, referred to or distributed for any other purpose.
7. This report may be delivered to SEBI, the stock exchanges, to the Registrar of Companies, Karnataka at Bengaluru or to any other regulatory and statutory authorities by the BRLMs only when called upon by SEBI or the stock exchanges in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defence that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We confirm that this letter/statement can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.
8. These Annexure(1) cover representations with respect to tax laws in the United Kingdom, based solely on prior engagements with Capillary Technologies Europe Limited.
9. We also consent to the inclusion of this letter as a part of “*Material Contracts and Documents for Inspection*” in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date. We further consent to include our statement/ letter, in full or in parts, in the Offer Documents or such other documents to be issued by the Issuer in relation to the Offer.
10. We confirm that we will immediately communicate any changes in writing in the above information to the BRLMs based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from the management, BRLMs and the legal counsels, each to the Issuer and the BRLMs, can assume that there is no change to the above information.
11. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

**For PBG Associates Limited**

*Chartered Accountants*



**Ujjal Ghosh**

**Partner**

**Firm Registration No.: 08143694**

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**Date:** 27<sup>th</sup> October, 2025

**Place:** Hayes, United Kingdom

**Firm Seal:**



**CC:**

**JM Financial Limited**

7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**IIFL Capital Services Limited (formerly known as IIFL Securities Limited)**

24th Floor, One Lodha Place  
Senapati Bapat Marg, Lower Parel (West)  
Mumbai - 400 013  
Maharashtra, India

**Nomura Financial Advisory and Securities (India) Private Limited**

Ceejay House, Level 11  
Plot F, Shivsagar Estate  
Dr. Annie Besant Road  
Worli, Mumbai - 400 018  
Maharashtra, India

Enclosed: **Annexure-1 (Statement of Possible Special tax benefits available to the Company)**

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ANNEXURE – 1

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

*Possible Special Tax Benefits*

1. **R&D Tax Reliefs:** *The Company may be eligible for expenditure credit under R&D merged scheme, if the Company is trading and chargeable to corporation tax and have a project that meets the definition of R&D. Expenditure Credit under the merged scheme is 20%, subject to the conditions. (CTA09/S1044(5) & CTA09/S1044(2)).*
2. **Capital Allowances(CTA10/S948. CTA10/S948):** *under this Company may be eligible for :*
  - **Annual investment allowance (AIA)** - can claim up to £1 million on certain plant and machinery
  - **100% first-year allowances** - can claim the full amount for certain plant and machinery in the year that it was bought
  - **Writing down allowances** - can claim these if your plant and machinery does not qualify for AIA or you've already claimed the maximum amount
3. **Tax relief on goodwill and relevant assets:** *Relief is a fixed rate of 6.5% a year on the lower of the cost of the relevant asset or 6 times the cost of any qualifying IP assets in the business purchased. (Chapter 15A CTA 2009).*