

**CERTIFICATE ON SPECIAL TAX BENEFITS**

Date: 27 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 Pte. Ltd.**  
68 Circular Road  
#02-01  
Singapore 049 422

**Re: Statement of possible special tax benefits available Capillary Technologies India Limited (“Issuer”) and its shareholders and its material subsidiaries prepared in accordance with the requirements under 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”)**

1. We, ECRA PTE LTD, Tax Agents (**the Firm**), hereby confirm the enclosed statement (“**Statement**”) in the **Annexure** prepared and issued by us, which provides the possible special tax benefits under The Income Tax Act 1947 & Goods And Services Tax Act 1993 , available to the Capillary Pte. Ltd. (the “**Company**”). one of the material subsidiaries of the Issuer identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, face in the future, the Company may or may not choose to fulfil.
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**”). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. Any benefits under the The Income Tax Act, 1947 & Goods And Services Tax Act, 1993 other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. Our 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.
4. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and do not cover any general tax benefits available to them. We hereby report that the enclosed **Annexure** prepared by the Company, initialled by us for identification purpose, states the special tax benefits available to the Company, under direct and indirect taxes (together “**the Tax Laws**”), presently in force in Singapore as on the 27 October 2025, which are defined in **Annexure**. There are no special tax benefits being availed by the Company.
5. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that 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 distinct 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 and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot

be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

6. We do not express any opinion or provide any assurance whether:
  - The Company will continue to obtain these benefits in future;
  - The conditions prescribed for availing the benefits have been/would be met;
  - The revenue authorities/courts will concur with the views expressed herein.
7. 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. We have relied upon the information and documents of the Company 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. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company. There are no local applicable guidelines for issue of this certificate in Singapore.
8. This Statement is addressed to Board of Directors of the Issuer and BRLMs and issued at specific request of the Issuer, Company for submission to the BRLMs to assist them in conducting their due-diligence and documenting their investigations of the affairs of the company in connection with the proposed Offer. 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 certificate 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.
9. 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.
10. 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 reports/ certificates/ letters, in full or in parts, in the Offer Documents or such other documents to be issued by the Issuer in relation to the Offer.
11. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

*Nite Chada*  
For ECRA PTE LTD  
Corporate Services Provider  
UEN.: 201303635D  
Place: Singapore



**Encl: As above**

**CC:**

**JM Financial Limited**

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**Trilegal**

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**International Legal Counsel to the BRLMs**

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## ANNEXURE

### STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

**Under the Singapore Income Tax Act 1947 (hereinafter referred to as ‘the Act’), which is applicable to the company for financial period from July 21, 2021 (date of incorporation) till its first financial year end. The Company has confirmed that there are no other direct tax laws applicable to it aside to the Act.**

- This Annexure sets out possible the tax benefits available to the Company and its shareholder under the Act, in Singapore. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant Income Tax Laws.

- Tax benefits available to the Company under the Act**

The company will be subject to tax in Singapore at the prevailing corporate income tax rate of 17%, on income accruing in or derived from Singapore or received in Singapore from outside Singapore.

- Other existing and possible tax benefits are as follows:**

#### Tax Exemptions & Partial Exemptions

Benefit	Details
Partial Tax Exemption (PTE)	For all companies: <ul style="list-style-type: none"> <li>• 75% exemption on first \$10,000</li> <li>• 50% exemption on next \$190,000</li> </ul>

#### Tax Deductions / Allowances

Scheme / Section	What It Covers
Capital Allowances (s19, s19A, s24)	On plant, machinery, computers, office equipment, motor vehicles (restricted), and renovation costs (under Section 14Q)
Renovation & Refurbishment Deduction (s14Q)	Up to \$300,000 over 3 years for business premises (non-capital works only)
R&D Deductions (s14D, s14DA)	100% + enhanced deduction of 150% (total: 250%) for qualifying R&D expenditure incurred in Singapore
Training Expenses	Full deduction for approved employee training relevant to trade
Approved Donations	250% tax deduction for donations to IPCs or approved recipients
Double Tax Deduction for Internationalisation (DTDi)	200% deduction on qualifying overseas business development expenses (automatic for first \$150,000, approval required beyond that)
IP-related Deductions (s14A, s14B, s19B)	Deductions/allowances for: <ul style="list-style-type: none"> <li>• IP acquisition</li> <li>• Licensing payments</li> <li>• R&amp;D for patents and designs</li> <li>• Writing-down allowance for IP rights (WDA)</li> </ul>

#### Loss & Relief Mechanisms

Mechanism	Details
Current Year Group Relief	Transfer unutilized capital allowances, trade losses, and donations to qualifying group companies
Loss Carry-Forward	Unlimited (subject to shareholding continuity test in s37(12))
Loss Carry-Back Relief	1-year carry-back, capped at \$100,000 (s37E)

Unutilized Capital Allowances Carry-Forward	Allowed subject to shareholding and same business tests (s23, s37)
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### Withholding Tax Exemptions / Reliefs

Applicable To	Benefit
Interest / Royalty / Service Fees to Non-Residents	Tax treaties may reduce or eliminate WHT under Singapore's DTAs
Section 12(6) or 12(7)	Certain income types like interest or services deemed sourced in Singapore and subject to WHT—may be exempt via tax treaties or IRAS rulings

### Tax Incentive Schemes

Incentive	Benefit
Pioneer Certificate Incentive (PC)	Corporate tax rate reduced to 0–5% on qualifying activities for up to 15 years
Development and Expansion Incentive (DEI)	Reduced tax rate (typically 5% or 10%) on incremental income from expansion activities
Global Trader Programme (GTP)	Concessionary tax rate of 5% or 10% on qualifying trading income
Finance & Treasury Centre Incentive (FTC)	8% tax rate on qualifying treasury income; deduction for certain interest and FX hedging
IP Development Incentive (IDI)	Reduced tax rate (5%/10%) for income from qualifying IP developed in Singapore
Investment Allowance (IA)	Allowance of up to 100% on approved fixed capital expenditure, over and above normal capital allowances
Maritime Sector Incentive (MSI)	Various sub-schemes with tax exemption or 10% concessionary tax rate for shipping-related businesses
Aircraft Leasing Scheme	Writing-down allowances and GST relief on qualifying aircraft leases and purchases

### Foreign-Sourced Income Exemptions (Section 13)

Provision	Exemption Criteria
Section 13(8) / 13(9)	Foreign-sourced dividends, branch profits, or service income exempt if: <ul style="list-style-type: none"> <li>• Headline tax rate in source country <math>\geq 15\%</math></li> <li>• Income is taxed in the foreign jurisdiction</li> <li>• Subject to “subject-to-tax” and economic substance tests</li> </ul>
Section 13CA	Exemption for income earned by prescribed investment funds
Section 13R / 13X	Exemption for qualifying Singapore Resident Fund and Enhanced Tier Fund respectively (subject to regulatory approval)
Section 13Y	Exemption for qualifying family office vehicles under the Financial Sector Incentive – Fund Management scheme (FSI-FM)

### Tax Rebates and Credits

Rebate	Details
Corporate Income Tax Rebate	YA 2024: 50% rebate capped at \$2,000 (announced in Budget 2024)
Unilateral Tax Credit	If no DTA with source country, Singapore allows credit for foreign tax paid on same income (s50A)
Double Tax Relief under DTA	Offset against Singapore tax liability for foreign tax paid on same income

### Other Corporate Tax Benefits

Tax Provision / Scheme	Description
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Section 14(1)(a) - Pre-commencement Expenses	Pre-commencement expenses incurred up to 1 year before the first day of business are deductible (e.g. incorporation costs, staff training, etc.)
Section 14N - Market Expansion Expenses	Expenses for advertising, publicity, and market research for entering new markets may be deductible
Section 14(1)(e) - Bad Debts Written Off	Bad debts are deductible if proven irrecoverable and previously included in income
Section 14(1)(h) - Interest Expense Deduction	Interest on loans for business purposes is deductible, subject to the "direct purpose" test
Section 14(1)(d) - Repair & Maintenance Deduction	Non-capital repairs to premises, plant, or equipment are deductible
Section 14(1)(g) - Insurance Premiums	Business-related insurance premiums are deductible (e.g. public liability, property)
Section 14(1)(f) - Professional Fees	Fees for tax agents, legal, and audit services are deductible if incurred wholly and exclusively for trade
Section 14L - Investment Advisory Fees	Deductible when incurred for portfolio management, particularly by investment holding companies
Section 14U - Innovation & Capability Voucher (ICV) support	Grants received under ICV are treated as income, but related business expenditure is deductible
Section 14ZB - Voluntary Cash Contributions to Employees' Medisave Accounts	Deductible if done voluntarily and capped at prevailing statutory limits
Writing Down Allowances for Acquisition of Plant and Machinery via Hire Purchase (s19/19A)	Allowed over asset's life even if not legally owned until full payment
Section 14Q - Leasehold Improvement Deduction	Deductible over 3 years for qualifying renovation works (e.g., wiring, painting) in rented business premises
Double Deduction for Approved Relocation Expenses	Moving business operations to Singapore may qualify for 200% deduction on approved costs
Enhanced Tax Deduction for IP Litigation Costs	Litigation costs for protecting registered IP may be deductible if incurred in the course of trade
Productivity and Innovation Credit (PIC) Balancing Allowance	For companies still carrying unutilized allowances from before PIC expired (2018)
Avoidance of Double Taxation – Tax Sparing Credit	Some treaties provide a tax credit for taxes "deemed paid" in the foreign jurisdiction (e.g., pioneer exemptions in developing countries)
Section 14WA – Safe Harbor for Related Party Loans	Certain interest income/expense is treated as arm's length if safe-harbor interest rates are followed
GST Scheme – Major Exporter Scheme (MES)	Not an income tax benefit per se, but reduces cash flow impact by deferring GST on imports for exporters
GST – Import GST Suspension Scheme (IGSS)	Allows approved logistics providers to import goods without paying GST upfront
Writing Down Allowance on IP Under Section 19B(5)	Special treatment for acquisition of trademarks, copyrights, and patents—deductible over 5 or 10 years
Deduction for Safe Harbor FX Hedging Contracts	FX gains/losses on hedging contracts may be deductible as part of trading activities

#### 4. Notes

- 4.1. This Annexure sets out the possible direct tax benefits available to the Company under the Act read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in Singapore. This statement also does not discuss any tax consequences, in the country outside Singapore.
- 4.2. 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 Offer.

## STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

### INDIRECT TAXATION

1. This annexure sets out the tax benefits available to the Company and its shareholder under the Goods and Services Tax Act 1993 as amended from time to time, presently in force in Singapore.

#### 2. Tax benefits availed by the Company under the above-mentioned laws

The company is registered for GST from 1 November 2021. The Company's Registration Number is 202125294W. The Company will have to pay GST at the current prevailing rate of 9% for standard rated supplies or at the rate of 0% for zero rated supplies. This rate is subjected to change upon passing of the legislation by the Government. The Company is not availing any tax benefits / exemptions / abatements under the Goods and Services Tax Act 1993.

#### 3. Notes

1. This Annexure sets out the only the indirect tax benefits available to the Company under the *Goods and Services Tax Act 1993* presently in force in Singapore. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws
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 Offer.
3. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.