



**Statement of Possible special tax benefits available to Excelsoft Technologies Inc.  
under applicable tax laws in the United States of America**

Date February 10, 2025

To,  
The Board of Directors,  
**Excelsoft Technologies Inc.**  
1 Broadway, 14th Floor,  
Cambridge, MA 02142  
United States of America (USA)

The Board of Directors,  
**Excelsoft Technologies Limited**  
1-B, Hootagalli Industrial Area,  
Mysore-570018, Karnataka

**Anand Rathi Advisors Limited**  
11th Floor, Times Tower,  
Kamla City, Senapati Bapat Marg  
Lower Parel Mumbai- 400 013  
Maharashtra, India

(Anand Rathi Advisors Limited are hereinafter collectively referred to as 'Book Running Lead Managers' or 'BRLMs')

Dear Sirs/Madams,

**Re: Statement of Possible special tax benefits available to Excelsoft technologies Inc. under United States tax laws prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations") in connection with the proposed initial public offering of equity shares of face value of ₹ 10/- each (the "Equity Shares") of Excelsoft technologies Limited (such offering, the "Offer")**

1. We hereby confirm that the enclosed Annexure 1, prepared by Excelsoft technologies Inc. describes the possible special tax benefits available to Excelsoft technologies Inc. under direct and indirect tax laws as stated in the enclosed Annexure as of the 2025 tax year.
2. Certain of these benefits are dependent on Excelsoft technologies Inc. satisfying conditions prescribed under the relevant provision of the Code and/or other applicable law. Therefore, the ability of Excelsoft technologies Inc. to derive the possible special tax benefits may be dependent upon the satisfaction of such

conditions which, based upon various factors, Excelsoft technologies Inc. may or may not ultimately satisfy.

3. The benefits in the enclosed Annexure are not exhaustive and cover the possible special tax benefits available to Excelsoft technologies Inc. and do not cover any general tax benefits available to Excelsoft technologies Inc. The preparation of the contents stated in the Annexure is the responsibility of the management of Excelsoft technologies Inc. We are informed that the 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.
4. 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 by Excelsoft Technologies Limited (the "Offer"), of which Excelsoft technologies Inc. is a material subsidiary. Neither are we suggesting nor advising the investor to make any investment based on the statement of possible special tax benefits.
5. We do not express any opinion or provide any assurance as to whether:
  - a) Excelsoft technologies Inc. will continue to obtain these benefits in the future.
  - b) The conditions prescribed for availing the benefits have been/ would be satisfied; and
  - c) The revenue authorities/courts will concur with the views expressed herein.
6. The contents of the enclosed Annexure are based on information, explanations, and representations obtained from Excelsoft technologies Inc. and on the basis of their understanding of the business activities and operations of Excelsoft technologies Inc.
7. This Statement is issued solely in connection with the Offer and for disclosure in the draft red herring prospectus, the red herring prospectus, the prospectus and any other material used in connection with the Offer (together, the "Offer Documents"), and is not to be used, referred to or distributed for any other purpose.
8. We further consent to be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013, in relation to this statement of possible special tax benefits included in the Offer Documents.
9. This Annexure covers representations with respect to tax laws in the United States, based solely on prior engagements with Excelsoft technologies Inc.

10. Any United States tax advice contained in this document (including any attachments) is not intended or written by the practitioner to be used, and cannot be used by any taxpayer, for the purpose of
- (i) avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and/or
  - (ii) supporting the promotion, recommendation, or marketing of any transactions or matter addressed herein

For and on behalf of  
RAM ASSOCIATES  
Certified Public Accountants  
Firm License Number:20CB00489700  
***Ram Associates***

Name: P.K. RAMACHANDRAN  
Designation: PARTNER  
ID: 20CC01148500

Place: NEW JERSEY USA

Encl: As above

CC:  
Legal Counsel to the Offer  
ALMT Legal  
No. 2, Lavelle Road  
Bangalore 560 001

**Possible Special Tax Benefits**  
**Annexure 1**

1. The following are the possible special direct tax benefits available to Excelsoft Technologies Inc.:

**Foreign Derived Intangible Income (FDII) Deduction:**

*IRC Section 250*

A deduction up to 37.5% of its "foreign-derived intangible income" (FDII) under Code section 250 is available to Excelsoft technologies Inc. Broadly, the calculations underlying the FDII deduction are intended (i) to approximate the intangible income a US corporation is deemed to earn (generally by considering all amounts over a fixed return on tangible, depreciable assets to be from intangible assets), and

then (ii) determining which portion of such intangible income is foreign-derived. Such foreign-derived intangible income is generally eligible for the above-referenced deduction, subject to various conditions and limitations.

**Research and Development Tax Credit (R&D):**

*IRC Section 41*

A tax credit for increasing research activities under Code section 41 is available to Excelsoft technologies Inc. Broadly, the calculations underlying the R&D tax credit are intended

- (i) to incentivize businesses to invest in research and development by providing a credit for qualified research expenses (QREs), and
- (ii) to support innovation and technological advancement within the United States. The credit is generally calculated as 20% of the excess of the QREs for the taxable year over a base amount. The base amount is typically a fixed-base percentage of the average annual gross receipts of the taxpayer for the four taxable years preceding the taxable year for which the credit is being determined. Alternatively, taxpayers may elect to use the Alternative Simplified Credit (ASC), which is 14% of the excess of the QREs for the taxable year over 50% of the average AREs for the three preceding taxable years.

**Stock Acquisitions Treated as Asset Acquisitions, Related Amortization:**

*IRC Section 338*

An election under Section 338 is available to Excelsoft technologies Inc. to treat certain stock acquisitions as an asset purchase for US federal income tax purposes.

The primary benefit electing to treat such acquisitions as asset purchases for income tax purposes, is that Excelsoft technologies Inc. receives fair market value basis in the deemed-acquired assets, permitting prospective depreciation and/or amortization deductions with respect to such assets.

2. There are no possible special indirect tax benefits available to Excelsoft technologies Inc.

**Notes:**

These Annexure sets out the possible special tax benefits available to Excelsoft technologies Inc., in the United States of America.

No assurance is given that revenue authorities or courts will concur with the views expressed herein. Our views are based on the existing provisions of law and applicable interpretations thereof, which are subject to change from time to time. We do not assume responsibility to update the views subsequent to such changes.

This statement covers only certain possible special tax benefits, read with the relevant rules, regulations, and guidance in force in the United States. This statement also does not discuss any tax consequences in any country outside the United States, of an investment in the shares of a United States entity.

The above statement of possible special tax benefits is as per the current tax laws and several of these benefits are dependent on Excelsoft technologies Inc. or its shareholders satisfying the conditions prescribed under the relevant provisions of the Code and/or other applicable law.

This Annexure is intended only to provide general information to 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.