

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CLEANMAX SOLAR MENA
FZCO AND UNDER THE LAWS OF U.A.E**

Date: December 04, 2025

To,
The Board of Directors
Clean Max Enviro Energy Solutions Limited
(formerly, Clean Max Enviro Energy Solutions Private Limited)
4th floor, The International
16 Maharshi Karve Road
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and

The Board of Directors
Clean Max SOLAR MENA FZCO
2E M032, Dubai Airport Free zone,
Dubai, U.A.E.

and

Axis Capital Limited
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Ganpatrao Kadam Marg
Mumbai - 400 013
Maharashtra, India

(Axis Capital Limited, BOB Capital Markets Limited , BNP Paribas, HSBC Securities and Capital Markets (India) Private Limited, IIFL Capital Services Limited (Formerly known as IIFL Securities Limited), J.P. Morgan India Private Limited, Nomura Financial Advisory and Securities (India) Private Limited, SBI Capital Markets Limited and any other book running lead managers appointed by the Company are collectively referred to as the "Lead Managers")

Dear Sir,

Sub: Statement of possible Special Tax Benefits available to the CLEANMAX SOLAR MENA FZCO and its equity shareholders under the direct and indirect tax laws

Re: Proposed initial public offering of equity shares (the "Equity Shares") of Clean Max Enviro Energy Solutions Limited (formerly Known as Clean Max Enviro Energy Solutions Private Limited) (the "Company", and such initial public offering, the "offer")

We, S A E Tax and Accounting Services LLC, Dubai – U.A.E., hereby confirm that the enclosed **Annexure 1** provide the possible special tax benefits available to CLEANMAX SOLAR MENA FZCO, DIEZ, Dubai, U.A.E. (the "**Statement**"), under direct and indirect tax laws respectively, presently in force Federal Decree-Law No. (8) of 2017 on Value Added Tax, Customs Regulations U.A.E and the Federal Decree Law No (47) of 2022 on the Taxation of Corporation and Businesses (the "**Tax Law**"), as on the signing date. These possible special tax benefits are dependent on CLEANMAX SOLAR MENA FZCO, DIEZ, Dubai, U.A.E. ("**the Subsidiary**") fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Subsidiary to derive these possible special tax benefits is dependent upon it fulfilling such conditions, which is based on business imperatives the Subsidiary may face in the future and accordingly, the Subsidiary may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed in **Annexure I** are not exhaustive and cover the possible special tax benefits available to the Subsidiary and do not cover any general tax benefits available to it. The Statement is only intended 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 the tax consequences and the changing tax laws, each investors is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Offer, particularly in view of the fact the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest, nor do we advise the investors to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i. the Subsidiary will continue to obtain these possible special tax benefits in future; or
- ii. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or
- iii. the revenue authorities will concur with the views expressed herein.

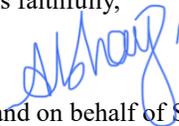
The contents of the enclosed **Annexure I** are based on the information, explanation and representations obtained from the Subsidiary and based on our understanding of the business activities and operations of the Subsidiary.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Offer Documents (as defined below).

We confirm that we will immediately inform the Company and the book running lead managers appointed by the Company in relation to the Offer (“**Lead Managers**”) of any changes to the above information in writing until the date when the Equity Share commence trading on the stock exchange(s) where the Equity Shares are proposed to be listed (the “**Stock Exchange**”). In the absence of any such communication from us, the Lead Managers, and the legal counsel to each of the Company and Lead Managers can assume that there is no changes to above information until the date when the Equity Shares list and commence on the Stock Exchanges pursuant to the Offer.

This Certificate is for the information of and for inclusion (in part or full) in the red herring prospectus and the prospectus to be filed in relation to the Offer or any other Offer-related material (the “**Offer Documents**”) and may be relied upon by the Company, the Lead Managers and their respective affiliates and the legal advisors to each of the Company and the Lead Managers. We hereby consent to the submission of this certificate as may be necessary to the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies, Maharashtra at Mumbai, and any other regulatory authorities as may be required and/or for the records to maintained by the Lead Managers and in accordance with applicable law and for the purpose of any defense the Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents. 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.

Yours faithfully,


For and on behalf of S A E Tax and Accounting Services LLC
Dubai- U.A.E



Annexure 1

List of Direct and Indirect tax laws

1. Federal Decree Law No (8) of 2017 on Value Added Tax
2. Customs Regulations in the UAE
3. The Federal Decree Law No (47) of 2022 on the Taxation of Corporation and Businesses issued on December 9, 2022 and it is effective for financial years starting on or after June 1, 2023.

The details of the tax benefits that Company have under the above mentioned laws is explained below:

- a) AED 375,000 (three hundred and seventy-five thousand UAE dirhams) from the total taxable income is subject to a tax rate of 0%:**

Taxation of Corporates and Individuals

On 31 January 2022 the UAE Ministry of Finance announced the introduction of the CT Law. The CT Law was published on 9 December 2022 and came into effect for financial years beginning on or after 1 June 2023. Although, Article 61 of the CT Law provides for transitional rules, which require a Taxable Persons opening balances for corporate tax purposes to be their closing balances sheets, as prepared for financial reporting purposes on the last day of the financial year that ends immediately before the Taxable Persons first taxable period, where such opening balances should take into consideration the arm's length principle and reflect any arm's length adjustments arising from related party transactions in accordance with the CT Law. In addition, the General Anti Abuse Rules should apply to all transactions or arrangements which were entered into from 15 days after the CT Law was published in the Official Gazette (i.e. which was published on 10 October 2022 and therefore came into force on 25 October 2022).

Corporate Tax Rate

In terms of the CT Law, corporate tax is imposed on the taxable income of a Taxable Person (who is not a qualifying free zone person) ("QFZP") at the standard rate of 9%, provided that the first AED 375,000 (three hundred and seventy-five thousand UAE dirhams) is subject to a tax rate of 0%. Broadly, income of a revenue nature and capital gains are taxed at the same rate of 9%. Where the Taxable Person constitutes a QFZP, its qualifying income may be subject to corporate tax at a rate of 0%. The CT Law also provides specific relief for small businesses with an annual revenue below AED 3,000,000 (three million UAE dirhams), which, if applicable, would allow such Taxable Person to be treated as not having derived any taxable income during the relevant tax period. The standard 9% corporate tax rate, which is referred to in the remainder of this section, should increase to 15% for certain Taxable Persons from 1 January 2025 onwards pursuant to amendments to the CT Law (Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses) announced on 9 December 2024 by the UAE Ministry of Finance, which included the implementation of the DMTT (the DMTT being part of the wider BEPS Pillar 2 rules). Such rules should apply from 1 January 2025 to provide for a tax rate of 15%, however further guidance on the application of such rules is yet to be released

Taxable Persons

The CT Law applies to all Taxable Persons, which includes a Resident Person and Non-Resident Person as defined in the CT Law. A Resident Person will be taxed on its worldwide income, while a Non-Resident Person will only be taxed on its UAE sourced income.

Taxation of natural persons

A natural person will only constitute a Taxable Person where the person conducts a "Business" or "Business Activity" (as defined in the CT Law) in the UAE and the person's total turnover derived from such Business or Business Activities exceeds AED 1,000,000 (one million Dirhams) within a calendar year. This is subject thereto that revenue derived from wages, personal investments and real estate investments shall not be considered as derived from Business

or Business Activities, regardless of the quantum of the revenue derived from such activities. Insofar as a natural person receives income from any of these three sources, such income will not be subject to Corporate Tax. These amounts can be excluded from the AED 1,000,000 (one million UAE dirhams) threshold contemplated above. A natural person that is not conducting a Business or Business Activity subject to Corporate Tax in accordance with the guidelines set out above shall not be required to register for Corporate Tax in the UAE.

b) Exemption of the dividend income subject to certain conditions:

Taxation of dividends

A dividend is defined in Ministerial Decision No. 116 of 2023 as: "Any payments or distributions that are declared or paid on or in respect of shares or other rights participating in the profits of the issuer of such shares or rights which do not constitute a return on capital or a return on debt claims, whether such payments or distributions are in cash, securities, or other properties, and whether payable out of profits or retained earnings or from any account or legal reserve or from capital reserve or revenue. This will include any payment or benefit which in substance or effect constitutes a distribution of profits made in connection with the acquisition or redemption or cancellation of shares or termination of other ownership interests or rights or any transaction or arrangement with a Related Party or Connected Person which does not comply with Article (34) of the Corporate Tax Law". Dividends as contemplated above, received by a UAE Taxable Person from a UAE resident juridical person will be exempt from corporate income tax under the CT Law. Furthermore, UAE sourced dividends paid to a nonresident person are currently subject to withholding tax at a rate of 0%. Shareholders who are a tax resident outside the UAE (both corporate and individual), should consult their tax advisors as to the taxation of dividend income derived from the Shares under the applicable local laws in those jurisdictions.

Taxation on subscription for Offer Shares

There are no taxes that arise in the UAE on the subscription for Offer Shares by the investors in the Offering. Accordingly, the subscription for Offer Shares should not in itself result in any UAE tax liabilities for the investors in the Offering. Investors in the Offering who are tax resident outside the UAE should consult their tax advisers in such foreign jurisdiction as to any possible tax consequences that might result from the subscription for Offer Shares.

Disposal of Shares

The future disposal of Shares by a shareholder that is a Taxable Person may give rise to a gain for corporate tax purposes where the proceeds exceed the tax cost base in respect of such shares. As indicated above, the UAE taxes both capital gains and revenue receipts at the same 9% rate subject to possible reliefs and exemptions as might be applicable to the particular shareholder concerned. A Resident Taxable Person will be subject to corporate tax at a rate of 9% on gains derived from the disposal of the Shares subject to possible reliefs and exemptions that might be applicable, for example small business relief, qualifying free zone relief or the participation exemption. A Taxable Person that is a natural person may be exempt from tax on gains derived from the future disposal of Shares where such gains constitute personal investment income of such person or falls below the AED 1 million threshold discussed earlier. As mentioned, a Non Resident Person should be subject to UAE tax on State Sourced Income. State Sourced Income includes income derived from shares in a Resident Person, and therefore any gains derived by a Non Resident Person on a sale of the Shares should be taxable in the UAE. However, as per Article 45 of the CT Law, certain categories of State Sourced Income realised by a Non Resident Person are expected to be subject to withholding tax, and the current wording of the CT Law states that the current withholding tax rate is 0% (although the CT Law mentions that it is possible that the rate could be changed in the future, therefore any updates in relation to these rules should be continuously monitored). In case a Non Resident Person would have a permanent establishment for UAE CT purposes, in the UAE, and income from the Shares would be attributable to such a permanent establishment, then the standard UAE corporate tax rules (including a 9% corporate tax rate) may need to be considered, as opposed to withholding tax. Depending on the nature of the shareholder concerned, such shareholder might also be eligible for particular entity-based exemptions as contained in the CT Law, for example government entities, government controlled entities, pension funds etc. The participation exemption mentioned above would also be available to all Taxable Persons, except for QFZPs, provided the requirements in respect thereof are met. Shareholders who are tax

residents outside the UAE (both corporate and individual), should consult their tax advisers as to the taxation of gains on the future sale of the Shares under the applicable local laws in those jurisdictions.

c) Corporate tax – basic deductions:

- i) The net interest expense (NIE) (i.e. interest expense less interest income) up to 30% of tax adjusted earnings before interest, taxes, depreciation, and amortisation (EBITDA) will be deductible. However, this should not apply if the NIE for the relevant tax period does not exceed the threshold of AED 12 million.

If this threshold is exceeded, the taxable person may deduct the higher of the threshold or 30% of tax adjusted Earning before Interest, tax, depreciation and amortisation (EBITDA).

- ii) Donations paid to qualifying public benefit entities will be considered as deductible expenses.

Securities transfer tax

The UAE does not currently impose any stamp duty or securities transfer tax on the issuance or transfer of shares.

d) VAT - Exempt income or zero rated income related to financial services (interest on loan to group companies):

Value-added tax (VAT) and other indirect tax

From a UAE VAT perspective the issue, allotment or transfer of ownership of an equity security (which includes the Offer Shares) will constitute a supply of financial services which is exempt in terms of article 46(1) of the VAT Law as read with article 42(3)(b) of the Executive Regulations to the VAT Regulations. Accordingly, there would be no VAT charge on the issue or transfer of the Offer Shares. This VAT exempt treatment will only apply if the Offer Shares are issued to a recipient within the UAE. Where the Offer Shares are issued to a non-UAE resident, VAT at zero-rate may apply.

The UAE has adopted an Excise tax on selected goods, which was effective on 1 October 2017, and implemented VAT, which was effective on 1 January 2018. The Excise Tax Laws and Regulations impose a 50% tax on carbonated beverages and a 100% tax on tobacco products and energy drinks. On 27 August 2017, the VAT Law was published on the website of the Federal Tax Authority. The executive regulations of the VAT Law were issued on 28 November 2017 under Cabinet decision No. 52 of Federal Decree Law No. (8). The Executive Regulations of VAT Law provide more details about the supply of products and services are subject to VAT and which are zero-rated or exempted; the Executive Regulations of the VAT Law outline the conditions and parameters of such VAT treatment.

The GCC VAT Framework Agreement, which is a country level agreement between all the GCC states, sets out broad principles that should be followed by all the GCC countries in their VAT Laws while providing individual member states some discretion to adopt a different VAT treatment in respect of certain matters. Each GCC country will enact its own domestic VAT legislation based on the underlying principles in this common framework. VAT applies on the sale of goods and services in the UAE and on imports into the UAE. VAT will apply at the standard rate. The standard VAT rate in the UAE is 5%. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT.

The mandatory registration threshold is AED 375,000 and the voluntary registration threshold is AED 187,500. Businesses must register for VAT if they have annual turnover that exceeds the mandatory registration threshold (or if it is anticipated that total value of supplies will exceed it in the next thirty days) and an option to register for VAT is available if the taxable supply and imports are below the mandatory registration threshold but exceed the voluntary registration threshold.

The supply of goods or services by VAT registered businesses will be subject to VAT at either the standard rate or zero rate. Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

Article 42 of the Executive Regulations outlines the scope of financial services classified as exempt and, on this basis, no VAT would be applied on any transfer of Offer Shares. However, it should be noted that fees relating to the transfer of ownership of Offer Shares would be standard rated at 5%.

THE ABOVE IS THE GENERAL SUMMARY. THE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.