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STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors

Alps Digital Devices Limited

Door No. Old No 28/73-A, G-63 (New Door No. 55/849/A),
Elders Forum Road, Panampilly Nagar,
Ernakulam-682036, Kerala, India,

Sub: Statement of Tax Benefits ('The Statement') available to Alps Digital Devices Limited ('The Company'), and its shareholders prepared in accordance with the requirement in Schedule VI-Clause 9L of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ('The Regulation')

Dear Sirs,

We, M/s K.J. Anto & Co, Chartered Accountants, are the present statutory auditors of the Company, hereby report that the enclosed annexure prepared by the management of **Alps Digital Devices Limited** states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 2025 as amended by the Finance Act 2026, the Customs Act, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein 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 individual nature of the tax consequences and 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 initial public offering of Equity shares ("the Issue") by the Company.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/would be met.

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.



Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft offer document/ offer document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This statement has been prepared solely in connection with the Proposed Issue by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Kochi – 682 020
Date: 24th September 2026



For K. J. Anto & Co.

A handwritten signature in black ink, appearing to read "Tinu Anto K.", written over a horizontal line.

Tinu Anto K. (M.No.209914)

Partner

Chartered Accountants

Firm ICAI Regn. No.014162S

UDIN: 26209914WNRATU6448

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 2025 as amended by the Finance Act, 2026 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares 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.

A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY:

1. Under Direct Tax Laws

There are no special tax benefits available to the company under Direct Tax Laws including Income Tax Act, 2025 as amended by the Finance Act, 2026.

2. Under Indirect-tax Laws including Central Goods & Service Tax Act, 2017

There are no special tax benefits available to the company

B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS:

1. Under Direct Tax Laws

There are no Special Tax Benefits available to the Shareholders of the Company under Direct Tax Laws including Income Tax Act, 2025 as amended by the Finance Act, 2026.

2. Under Indirect Tax Laws

There are no Special Tax Benefits available to the Shareholders under indirect tax laws including Central Goods & Service Tax Act, 2017

NOTES:

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the Tax Year 2026-27. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.



5. Section 115BAA was inserted in the Income-tax Act, 1961 pursuant to the Taxation Laws (Amendment) Act, 2019, granting an option to domestic companies to pay income tax at the rate of 22%, subject to fulfilment of the conditions prescribed therein. After considering surcharge at the rate of 10% and health and education cess at the rate of 4%, the effective tax rate is approximately 25.168%.

With effect from April 1, 2026, the corresponding provisions are contained in **Section 200 of the Income-tax Act, 2025**. Section 200 provides an option to a domestic company to compute its income tax liability at the rate of 22%, subject to computation of its total income in accordance with the conditions specified thereunder. The surcharge applicable to a company opting for Section 200 is 10%, irrespective of the amount of total income, and health and education cess is applicable at the prescribed rate. Accordingly, the effective tax rate, based on the presently applicable surcharge and cess, is approximately 25.168%.

The Company has exercised the option under Section 115BAA of the Income-tax Act, 1961 from the Fiscal Year 2021-22 onwards. The said option corresponds to Section 200 of the Income-tax Act, 2025 for tax years beginning on or after April 1, 2026.

A company exercising the option under Section 115BAA of the Income-tax Act, 1961 or Section 200 of the Income-tax Act, 2025, as applicable, is required to compute its total income without claiming, inter alia, the following specified exemptions, deductions and allowances:

- a. deduction in respect of profits and gains derived by eligible units established in a Special Economic Zone;
- b. additional depreciation in respect of new plant and machinery;
- c. specified investment-linked deductions and allowances, including deductions relating to investment in notified backward areas, tea, coffee or rubber development accounts and site restoration funds;
- d. specified deductions in respect of expenditure on scientific research;
- e. deductions in respect of specified businesses and agricultural extension projects;
- f. deductions in respect of expenditure on notified skill development projects;
- g. deductions under Chapter VIII of the Income-tax Act, 2025, other than the deductions specifically permitted under Section 200, including the corresponding deductions relating to employment of new employees and certain inter-corporate dividends;
- h. set-off of any loss carried forward or depreciation from an earlier tax year, to the extent such loss or depreciation is attributable to any exemption, deduction or allowance not permissible under the concessional tax regime; and
- i. set-off of any loss or unabsorbed depreciation deemed under the provisions relating to amalgamation, demerger, business reorganisation or succession, to the extent such loss or depreciation is attributable to any exemption, deduction or allowance not permissible under the concessional tax regime.

Under Section 200 of the Income-tax Act, 2025, the total income is specifically required to be computed without deductions under Sections 45(2), 47(1)(b), Chapter VIII other than Sections 146 and 148, and the provisions specified in Section 205(1)(a) to (g). Further, losses and depreciation attributable to such deductions cannot be set off and are deemed to have been given full effect, with no further deduction being available in subsequent tax years.



A company that has validly exercised the option under Section 115BAA of the Income-tax Act, 1961 was not subject to Minimum Alternate Tax under Section 115JB of that Act. Correspondingly, the Minimum Alternate Tax provisions contained in Section 206 of the Income-tax Act, 2025 do not apply to a company that has exercised the option under Section 200.

Further, the option exercised under Section 200 is required to be exercised in the prescribed manner on or before the due date for furnishing the return of income. Once exercised, the option applies to subsequent tax years and cannot subsequently be withdrawn. Failure to satisfy the prescribed conditions in any tax year would render the option invalid for that tax year and subsequent tax years.

6. 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 or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
8. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The 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. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

