STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: September 03, 2026

The Board of Directors
Manipal Payment and Identity Solutions Limited
(Previously known as "MCT Cards & Technology Limited", "MCT Cards & Technology Private Limited")
Udayavani Building
Press Corner
Udupi, Manipal 576 104
Karnataka, India

Subject: Statement of possible special tax benefits ("the Statement") available to Manipal Payment and Identity Solutions Limited (Previously known as "MCT Cards & Technology Limited", "MCT Cards & Technology Private Limited") ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VI — Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations")

We Manian & Rao, Chartered Accountants, hereby confirm that the enclosed ***Annexure A,*** prepared by the management of the Company, provides the current position of the possible special tax benefits available to the Company and its shareholders, as per the provisions of the Indian Direct and Indirect Tax Laws including Income-tax Act, 1961 read with rules, circulars, and notifications thereunder (the "**Act, 1961**") as amended by the Finance Act, 2026, i.e., applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27 and Income-Tax Act, 2025 (the "**Act, 2025**") as amended by the Finance Act, 2026 applicable with effect from April 1, 2026 for the tax year 2026-27, presently in force in India (collectively the "**Direct Tax Laws**"), the Central Goods and Services Tax Act, 2017/ the Integrated Goods and Services Act, 2017, the Union Territory Goods and Services Act, 2017, respective State Goods and Services Act, 2017, Customs Act, 1962 and Customs Tariff Act, 1975, Foreign Trade Policy 2023 each as amended including the amendments made by the Finance Bill, 2026, applicable for the Financial Year 2026-27 (collectively, the "**Indirect Tax Laws**") including the rules, regulations, circulars and notifications issued in connection with the Direct Tax Laws and Indirect Tax Laws presently in force for inclusion in the red herring prospectus (the "**RHP**") and the prospectus (the "**Prospectus**") (collectively referred to ("**Offer Documents**") as for the proposed initial public offering of equity shares of the company ("**Proposed IPO**").

Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws and Indirect Tax Laws. Hence, the ability of the Company and/ or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions.

The contents stated in the ***Annexure A*** are based on the information and explanations obtained from the Company. 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO 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. We are neither suggesting nor are we advising the investors to invest or not to invest based on this statement.

We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

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

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

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- The revenue authorities/ courts will concur with the views expressed therein.

The Contents of the enclosed statements are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

The report has been issued at the request of the Company for the purpose of inclusion in the offer document in connections with its Proposed IPO and should not be used by anyone else or for any other purpose.

Yours Sincerely,
For and on behalf of **Manian & Rao, Chartered Accountants**
ICAI Firm Registration Number: 001983S

PARESH DAGA
Digitally signed by PARESH DAGA
Date: 2026.09.03 02:01:29 +05'30'

Paresh Daga
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ANNEXURE-A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED (PREVIOUSLY KNOWN AS "MCT CARDS & TECHNOLOGY LIMITED", "MCT CARDS & TECHNOLOGY PRIVATE LIMITED") ("THE COMPANY") AND ITS SHAREHOLDERS

I. Possible special tax benefits available to the Company and shareholders of the company under the applicable direct taxation laws as per Income-tax Act, 1961, as amended by Finance Act, 2026:

The statement of tax benefits outlined below is as per the Income-tax Act, 1961 **("the Act 1961")** read with Income Tax Rules, 1962, circulars, notifications, as amended from time-to-time **("Income Tax Law 1961")** as amended by Finance Act, 2026 as applicable for financial year **('FY')** 2025-26 relevant to assessment year **('AY')** 2026-27. These direct tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Act 1961. Hence, the ability of the Company and its shareholders to derive the direct tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

A. Certain direct tax benefits available to the Company under the Income tax Act, 1961, as amended by Finance Act, 2026

1) Lower corporate tax rate on income of domestic companies under Section 115BAA of the Act 1961, as amended by Finance Act, 2026:

As per Section 115BAA of the Act, 1961, with effect from Financial Year 2019-20 (i.e. AY 2020-21), a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and 4% cess) provided the company (i) does not avail any specified exemptions/ deductions or (ii) does not avail set-off of losses or unabsorbed depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the specified exemptions/deductions etc., (iii) claims depreciation in the prescribed manner and (iv) complies with the other provisions specified in Section 115BAA of the Act, 1961.

In case a company opts for Section 115BAA of the Act, 1961, provisions of Minimum Alternate Tax ('MAT') under Section 115JB of the Act, 1961 would not be applicable and MAT credit of the earlier year(s) will not be available.

The option needs to be exercised qua a particular AY/FY in the prescribed manner on or before the due date of filing the tax return. The option once exercised, shall apply to subsequent AYs and cannot be subsequently withdrawn for the same or any other AY. Further, if the conditions mentioned in Section 115BAA of the Act, 1961, are not satisfied in any AY, the option exercised shall become invalid in respect of such AY and subsequent AYs, and the other provisions of the Act, 1961 shall apply as if the option under Section 115BAA had not been exercised.

2) Deduction in respect of inter-corporate dividends – Section 80M of the Act, 1961

As per the provisions of section 80M of the Act, 1961, a shareholder being a domestic company can claim a deduction of an amount equal to dividends received from another domestic company or a foreign company or a business trust. Such deduction shall be claimed from gross total income of a shareholder being a domestic company and shall not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act, 1961.

3) Deduction under section 80JJAA of the Act,1961

As per the provisions of Section 80JJAA of the Act,1961, where the gross total income of a taxpayer who is subject to tax audit under section 44AB of the Act,1961, includes any profit and gains derived from business, then such taxpayer shall be entitled to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 AYs including the AY relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act,1961. The term "additional employee" and "additional employee cost" is as defined in the Explanation to Section 80JJAA of the Act, 1961.

B. Special direct tax benefits available to the shareholders of the Company

1) **Capital gains:-** Section 2(42A) of the Act, 1961, provides that securities listed in a recognized stock exchange in India that are held for not more than 12 months immediately preceding the date of its transfer, shall constitute short-term capital assets.

   As per Section 111A of the Act, 1961, short term capital gains arising from the transfer of an equity share in a company transacted through a recognized stock exchange and chargeable to Securities Transaction Tax ('STT') shall be taxed at 20% (plus applicable surcharge and cess) (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) subject to fulfilment of prescribed conditions under the Act, 1961.

   Further, as per Section 112A of the Act, 1961, long-term capital gains exceeding INR 1,25,000 arising from the transfer of equity shares in a company transacted through a recognized stock exchange on which STT has been paid on acquisition (except in certain situations) and on transfer, shall be chargeable to tax at the rate of 12.5% (plus applicable surcharge and cess) without applying the benefit under the first and second provisos to Section 48 of the Act, 1961.

2) **Dividend:-** Dividend earned by the resident shareholders would be taxable in their hands at the applicable rates (plus applicable surcharge and cess) and dividend earned by non-resident shareholders would be taxable in their hands at 20% (plus applicable surcharge and cess) under section 115A of the Act, 1961.

II. Possible special tax benefits available to the Company and shareholders of the company under the applicable direct taxation laws as per Income-tax Act, 2025, as amended by Finance Act, 2026:

Effective from 1 April 2026, the Income-tax Act, 2025 has come into effect. The statement of tax benefits outlined below is as per the Income-tax Act, 2025 ("the Act, 2025") read with Income Tax Rules, 2026, circulars, notifications, as amended from time-to-time ("Income Tax Law 2025") and applicable for Tax Year ('TY') 2026-27. These direct tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income Tax Law 2025. Hence, the ability of the Company and its shareholders to derive the direct tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

A. Certain direct tax benefits available to the Company under the Income tax Act, 2025, as amended by Finance Act, 2026

1) **Lower corporate tax rate on income of domestic companies under Section 200 of the Act, 2025, as amended by Finance Act, 2026:**

   As per Section 200 of the Act, 2025, a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and 4% cess) provided the company (i) does not avail any specified exemptions/ deductions (as mentioned in Section 205(1) clause (a) to (g) of Act, 2025), (ii) does not avail set-off of losses or unabsorbed depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the specified exemptions/deductions etc., (iii) claims depreciation in the prescribed manner and (iv) complies with the other provisions specified in Section 200 of the Act, 2025.

   In case a company opts for Section 200 of the Act, 2025 having opted for Section 115BAA of the Act, 1961, provisions of Minimum Alternate Tax ('MAT') under Section 206 of the Act, 2025 would not be applicable and MAT credit of the earlier year(s) will not be available.

   The option needs to be exercised qua a particular TY in the prescribed manner on or before the due date of filing the tax return. The option once exercised, shall apply to subsequent TYs and cannot be subsequently withdrawn for the same or any other TY. Further, if the conditions mentioned in Section 200 of the Act, 2025, are not satisfied in any TY, the option exercised shall become invalid in respect of such TY and subsequent TYs, and the other provisions of the Act, 2025, shall apply as if the option under Section 200 had not been exercised.

2) **Deduction under section 146 of the Act, 2025**

As per the provisions of Section 146 of the Act, 2025 where the gross total income of a taxpayer who is subject to tax audit under section 63, includes any profit and gains derived from business, then such taxpayer shall be entitled to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the tax year, for 3 consecutive tax years beginning from the tax year in which the employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (3) of section 146 of the Act, 2025.

The term "additional employee" and "additional employee cost" is as defined in sub-section (5) of section 146 of the Act, 2025.

3) **Deduction in respect of inter-corporate dividends – Section 148 of the Act, 2025**

As per the provisions of section 148 of the Act, 2025 , If the gross total income of a domestic company in any tax year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, such domestic company shall be allowed a deduction of an amount equal to so much of the income by way of dividends received from such other domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it at least one month before the due date for filing the return of income . Where any deduction, in respect of the amount of dividend distributed by the domestic company, has been allowed in any tax year, no deduction shall be allowed in respect of such amount in any other tax year.

B. Special direct tax benefits available to the shareholders of the Company

1) **Capital gains:** - Section 2(101) of the Act, 2025, provides that securities listed in a recognized stock exchange in India that are held for not more than 12 months immediately preceding the date of its transfer, shall constitute short-term capital assets.

As per Section 196 of the Act, 2025, short term capital gains arising from the transfer of an equity share in a company transacted through a recognized stock exchange and chargeable to Securities Transaction Tax ('STT') shall be taxed at 20% (plus applicable surcharge and cess) (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) subject to fulfilment of prescribed conditions under the Act, 2025.

Further, as per Section 198 of the Act, 2025, long-term capital gains exceeding INR 1,25,000 arising from the transfer of equity shares in a company transacted through a recognized stock exchange on which STT has been paid on acquisition (except in certain situations) and on transfer, shall be chargeable to tax at the rate of 12.5% (plus applicable surcharge and cess) without applying the benefit under Section 72(2) of the Act, 2025.

2) **Dividend:-** Dividend income earned by the resident shareholders would be taxable in their hands at the applicable rates (plus applicable surcharge and cess) and dividend earned by non-resident shareholders would be taxable in their hands at 20% (plus applicable surcharge and cess) under section 207 of the Act, 2025.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the ITA, 2025 and it is further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and subject to entitlement to such treaty benefit and on furnishing of any document as may be required. Further, the non-resident shareholders may be eligible to claim the foreign tax credit, based on the provisions of the tax laws of the country of which the shareholder is the resident.

III. Possible Special Indirect Tax Benefits Available to the Company

The statement of possible special indirect tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017 (CGST Act) / the Integrated Goods and Services Tax Act, 2017 (IGST Act)/ the Union Territory Goods and Service Tax Act, 2017 (UTGST Act) / respective State Goods and Service Tax Act, 2017 (SGST Act) ("all the acts collectively referred as GST Act"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 (**"Tariff Act"**) and Foreign Trade Policy 2023 (FTP) including the rules, regulations, circulars and notifications issued thereunder (collectively referred to as "Indirect Tax laws") as amended from time to time and presently in force in India.

A) Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

Remission of Duties and Taxes on Exported Products Scheme (RoDTEP):

The objective of RoDTEP scheme is to refund various duties and taxes incurred on the export of goods. Under the scheme, rebate of taxes will be given in the form of electronic scrip which could be utilised for payment of Basic Customs Duty.

Export Promotion Capital Goods (EPCG)

EPCG Scheme is being introduced by Government to facilitate duty free import of capital goods to be used for producing goods thereby enhancing India's manufacturing and export competitiveness. EPCG Scheme facilitates import of capital goods at zero customs duty subject to fulfilling an export obligation . EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty of Customs in lieu of Value Added Tax/ local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess (GST goods), wherever applicable, subject to certain conditions.

B) Benefits under Customs Act (read with Tariff Act and related rules and regulations)

Benefits of Duty Drawback scheme under Section 75 of Customs Act

As per section 75 of the Customs Act, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. The main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods.

Duty Free Import Authorization (DFIA) Scheme

The Duty Exemption Schemes allows for the duty-free import of inputs necessary for export production. These schemes encompass Advance Authorization Scheme and the *Duty-Free Import Authorization (DFIA Scheme)*, enabling exporters to import duty-free inputs for goods to be exported.

Benefits of Concessional custom duty pursuant to India's Free Trade Agreements with various countries

Free Trade Agreements ("**FTAs**") are treaties between two or more countries designed to reduce or eliminate certain barriers to trade and investment and to facilitate stronger trade and commercial ties between participating countries. FTAs help in economic growth as it provides advantages of reduced costs and duty savings on import and export of products covered or eligible under FTA. Indian government has entered into various bilateral and multilateral trade agreements with various countries.

C) Benefits under the Central Goods and Services Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST) (read with relevant Rules prescribed thereunder)

Export of goods under the GST law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier will be entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies.

GST law inter-alia allows export of goods at zero rate on fulfilment of certain conditions. Exporters can export goods under Bond / Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export goods with payment of IGST and subsequently claim refund thereof, as per the provisions of Section 54 of CGST Act.

IV. Possible Special Indirect Tax benefits available to the equity shareholders of the Company

There are no possible special indirect tax benefits available to the Equity Shareholders of the Company under the Indirect tax laws.

Note:

1. The above is as per the current Tax Laws.
2. The above statement of Possible 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 the existing and potential tax consequences of the purchase, ownership, and disposal of equity shares of the Company.
3. This statement of Possible Special Tax Benefits does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company.
4. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
5. 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 ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.
6. The tax benefits discussed in this statement are not exhaustive and are only intended to provide general information to the investors and hence, 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 consequences of his/her investment in the shares of the Company.
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our 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.
8. The Company does not have a material Indian subsidiary in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulation, 2018 as amended.

Yours Sincerely,
For and on behalf of
Manipal Payment and Identity Solutions Limited
(Previously known as "MCT Cards & Technology Limited", "MCT Cards & Technology Private Limited")

Ramanath Pai

Ramanath Pai
Chief Financial Officer
Date: September 03, 2026
Place: Manipal