

to file the offer document for an initial issue of DRs with SEBI and the stock exchanges to seek their comments, if any.

A listed company issuing DRs is also required to ensure compliance with extant laws including compliance with the minimum public shareholding requirements and limits on foreign investment holding under the FEMA. As regards pricing, the current framework provides that the pricing of DR issuances would have to be undertaken at a minimum price equivalent to the price determined for corresponding mode of issue to domestic investors.

Furthermore, the current requirements relating to exercise of voting rights have also been modified under the new framework. Under the DR Scheme, while the exercise of voting rights on the shares underlying the DRs could be dealt with contractually under the deposit agreement, if such voting rights were not exercisable by the DR holders, the shares would not be counted towards minimum public shareholding requirements. However, under the revised framework, voting rights on the underlying shares are mandatorily required to be exercised only by DR holders.

The summary provided above is based on laws applicable as of March 31, 2024, and is not intended to constitute a complete analysis of all laws applicable to the Company and its securities or a substitute for professional legal advice.

TAXATION

Indian Taxation

General. The following summary is based on the law and practice of the Income Tax Act including the special tax regime contained in Sections 115AC and 115ACA of the Income Tax Act read with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended (the "Scheme").

The Income Tax Act is amended every year by the Finance Act of the relevant year. Some or all of the tax consequences of Sections 115AC and 115ACA may be amended or changed by future amendments to the Income Tax Act.

We believe this information is materially complete as of the date hereof. However, these details are not intended to constitute a complete analysis of the individual tax consequences to non-resident holders or employees under Indian law for the acquisition, ownership and sale of ADSs and equity shares.

EACH INVESTOR OR PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISORS WITH RESPECT TO INDIAN AND LOCAL TAX CONSEQUENCES OF ACQUIRING, OWNING OR DISPOSING OF EQUITY SHARES OR ADSs.

Residence. For purposes of the Income Tax Act, an individual is considered to be a resident of India during any fiscal year if he or she is in India in that year for a period or periods amounting to at least 182 days; or at least 60 days and, within the four preceding years has been in India for a period or periods amounting to at least 365 days.

The period of 60 days referred to above shall be read as 182 days (i) in case of a citizen of India who leaves India in a previous year for the purposes of employment outside of India or (ii) in the case of a citizen of India or a person of Indian origin living abroad who visits India.

Further in case of Indian citizens or a person of Indian origin living abroad visiting India having total income, other than income from foreign source, exceeding Rs. 15 lakhs, the period of stay would be considered at 120 days as against 182 days as provided above. Further such person would be treated as Not Ordinarily Resident ("NOR") if his stay in India is less than 182 days. In this regard, foreign source has been defined to include income which accrues or arises outside India, except income derived from a business controlled in or a profession set up in India and which is not deemed to accrue or arise in India. Further, this provision shall not apply to a person resident in India.

Further provided that an Indian Citizen would be deemed to be as Resident of India when such person has income other than income from foreign source, exceeding Rs. 15 lakhs during the previous year and if he/she is not liable to income tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature. Further such person who is deemed to be resident of India would be treated as NOR.

A Company is a resident of India if it is an Indian Company or its place of effective management in that year, is in India. Individuals and companies that do not fulfill the above criteria would be treated as non-residents for purposes of the Income Tax Act.

Taxation of Distributions

The Finance Act 2020 has replaced Dividend Distribution Tax (“DDT”) with the classical system of dividend taxation wherein dividend income will be taxed in the hands of the shareholders at their respective applicable tax rates. In the light of the above changes under the Income Tax Act, Company paying dividend to shareholders is required to do withholding of tax at the applicable rates prescribed under Income Tax Act read along Tax Treaty with respective countries (together with MLI as applicable) subject to conditions specified under the Income Tax Act.

Further, the Finance Act 2020 amended section 57 of the Income Tax Act to provide that no deduction shall be allowed from dividend income in the hands of shareholders, other than deduction on account of interest expense incurred for earning this dividend and in any previous year such deduction shall not exceed twenty percent of the dividend income included in the total income for that year without deduction under section 57 of the Income Tax Act.

Taxation of Capital Gains. The following is a brief summary of capital gains taxation of non-resident holders and resident employees relating to the sale of ADSs and equity shares received upon conversion of ADSs. The relevant provisions are contained mainly in sections 2(42A), 45, 47(viia), 47(x), 49(2ABB), 115AC and 115ACA, of the Income Tax Act, in conjunction with the Scheme. You should consult your own tax advisor concerning the tax consequences of your particular situation.

Shares (including shares issuable on the conversion of the ADSs) held by the non-resident investor for a period of more than 12 months is treated as long term capital assets. If the shares are held for a period of less than 12 months from the date of conversion, the same is treated as short term capital asset.

Capital gains are taxed as follows:

- As per the applicable scheme, gains from a sale of ADSs outside India by a non-resident to another non-resident are not taxable in India;
 - Long-term capital gains realized by a resident from the transfer of the ADSs will be subject to tax at the rate of 10% as increased by the applicable surcharge and Health and education cess; short-term capital gains on such a transfer will be taxed at graduated rates with a maximum of 30%, as increased by the applicable surcharge and Health and education cess;
 - Long-term capital gains realized by a non-resident upon the sale of equity shares obtained from the conversion of ADSs are subject to tax at a rate of 10% as increased by the applicable surcharge and Health and education cess; and short-term capital gains on such a transfer will be taxed at the rate of tax applicable to the seller;
 - The Finance Act, 2018 has amended the Income Tax Act to provide that Long Term Capital Gain exceeding 100,000 arising from sale of equity shares in a company or a unit of an equity-oriented fund or a unit of a business trust will be taxable at a rate of 10%, subject to Securities Transaction Tax, or STT (described below) is paid both at the time of purchase and sale of such shares (or a unit of an equity-oriented fund or a unit of a business trust) and will not get the benefit of indexation. Thus, any transfer carried out after April 1, 2018, would result in Long Term Capital Gains in excess of 100,000 and will attract tax at the rate of 10%. Further if investments are made on or before January 31, 2018,
-

a method of determining the Cost of Acquisition ("COA") of such investments has been specifically laid down. The COA of such investments shall be deemed to be the higher of -

1. The actual COA of such investments; and
2. The lower of -
 - o Fair Market Value ("FMV") of such investments as on January 31, 2018; and
 - o the Full Value of Consideration received or accruing as a result of the transfer of the capital asset i.e., the Sale Price.

With respect to assets listed as on January 31, 2018, the FMV would be the highest price quoted on the recognized stock exchange on January 31, 2018. In case there is no trading of the said asset in such stock exchange, the highest price on a day immediately preceding January 31, 2018, shall be considered to be the FMV; and

- Short-term capital gain on sale of equity shares in a company (or a unit of an equity-oriented fund or a unit of a business trust) is taxed at 15% as increased by the applicable surcharge and Health and education cess, if it is settled on a recognized stock exchange and STT is paid on such sale.

The applicable rate of surcharge are as follows:

Total Taxable Income Range	For a Domestic Company	For a Foreign Company
More than 10,000,000 but not more than 100,000,000	7%	2%
More than 100,000,000	12%	5%

The taxes and applicable surcharge will be increased by incremental levy known as 'Health and Education cess' at 4%. Securities Transaction Tax (STT): STT is leviable on sale and purchase of equity shares and derivatives in a recognised stock exchange. STT is levied as follows:

Type of transaction	Rate of STT	Levied on
Sale of Equity shares (Delivery based)	0.1% of the transaction value of securities	Both Buyer and Seller
Sale of Equity shares (Non-delivery based)	0.025% of the transaction value of the securities	Seller
Sale of option in securities	0.0625% of the option premium	Seller
Sale of option in securities, where option is exercised	0.125% of the Intrinsic value(i.e., settlement price minus strike price)	Buyer
Sale of futures in securities	0.0125% of transaction value	Seller

Any resulting taxes on capital gains arising out of such transaction may be offset by the applicable credit mechanism allowed under double tax avoidance agreements. The capital gains tax is computed by applying the appropriate tax rates to the difference between the sale price and the purchase price of the ADSs or equity shares. Under the Scheme, the purchase price of equity shares in an Indian listed company received in exchange for ADSs will be the market price of the underlying shares on the date that the Depository gives notice to the custodian of the delivery of the equity shares in exchange for the corresponding ADSs, or the "stepped up" basis purchase price. The market price will be the price of the equity shares prevailing on the BSE or the NSE, as applicable.

There is no corresponding provision under the Income Tax Act in relation to the "stepped up" basis for the purchase price of equity shares. However, to the best of our knowledge, the tax department in India has not denied this

benefit. In the event that the tax department denies this benefit, the original purchase price of ADSs would be considered the purchase price for computing the capital gains tax.

According to the Scheme, a non-resident holder's holding period for the purposes of determining the applicable Indian capital gains tax rate relating to equity shares received in exchange for ADSs commences on the date of the notice of the redemption by the Depository to the custodian. However, the Scheme does not address this issue in the case of resident employees, and it is therefore unclear when the holding period for the purposes of determining capital gains tax commences for such a resident employee.

Withholding Tax on Capital Gains. Any taxable gain realized by a non-resident on the sale of ADSs or equity shares is to be withheld at the source by the buyer. According to section 196C of the Income Tax Act ("the Income Tax Act"), where any income by way of interest or dividends in respect of bonds or global depository receipts referred to in section 115AC of the Income Tax Act or by way of long-term capital gains arising from the transfer of such bonds or global depository receipts is payable to a non-resident, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a check or draft or by any other mode, whichever is earlier, deduct income tax thereon at the rate of ten per cent subject to any concession rate of tax provided as per Tax Treaty of respective countries read along with applicable MLI. The concessional tax rate benefit as per Tax Treaty would be available subject to providing various Tax forms including Tax Residency certificate by non-resident shareholders. However, as per the provisions of Section 196D (2) of the Income Tax Act, no withholding tax is required to be deducted from any income by way of capital gains arising to Foreign Institutional Investors (FIIs) as defined in Section 115AD of the Income Tax Act on the transfer of securities defined in Section 115AD of the Income Tax Act.

Taxation for buyback of equity shares -

- a. All domestic companies are subject to tax on the buyback of shares at the rate of 23.296% (including surcharge of 12% and Health and Education cess of 4%).
- b. As a result of the above tax on the buyback of shares, an income tax exemption to shareholders under section 10(34A) of the Income Tax Act, is provided.
- c. The statutory obligation of the non-resident shareholder to pay tax dues on gains (if any) in the country in which they are a tax resident is separate and independent from the statutory obligation of the Company for taxes on buyback. Shareholders should consult his, her or its own tax advisor regarding the tax treatment or tax obligation, if any.

Any Buyback undertaken on the NSE / BSE, is chargeable to the Securities Transaction Tax ("STT").

Taxation for American Depositary Shares (ADSs) Holders: ADS holders with underlying equity shares, consequent to withdrawal of such equity shares may participate in a buyback by selling equity shares on Indian stock exchanges.

There can be no assurance that the Equity Shares offered by an ADS holder in a buyback will be accepted as such withdrawal of underlying equity shares is subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, the Income Tax Act, and rules and regulations framed thereunder, the Depository Receipts Scheme, 2014, as applicable and other applicable approvals from the Reserve Bank of India.

ADS holders are advised to consult their legal, financial and tax advisors for advice prior to participating in a buyback, including advice related to any related regulatory approvals and tax issues.

A. The following is the brief summary of income tax implications on withdrawal and re-deposit of Equity Shares:

- (i) While there are arguments in favour that conversion of ADS into shares should not be subject to capital gains tax, this view is not free from doubt as law is not very clear on this aspect.
- (ii) The shares which would not be accepted by the Company in a buyback could get reconverted into ADS. As far as taxability of such reconversion is concerned, there are two possible views i.e., whether such reconversion of shares into ADS is a taxable transfer and accordingly

would attract capital gains tax or vice versa. While there are arguments supporting both the views, the view that such reconversion is not a taxable transfer may be construed to be a better view.

B. Income tax implications in respect of sale of equity shares received upon withdrawal on account of buyback i.e. pursuant to conversion of ADS into equity shares:

- (i) All domestic companies are subject to tax on the buyback of shares at the rate of 23.296% (including surcharge of 12% and Health and Education cess of 4%).
- (ii) As a result of above tax on buyback of shares, an income tax exemption to shareholders under section 10(34A) of the Income Tax Act, is provided.
- (iii) The statutory obligation of the non-resident shareholder to pay tax dues on gains (if any) in the country in which they are tax resident is a separate and independent from the statutory obligation of the Company to taxes on buyback. Shareholders should consult his, her or its own tax advisor regarding the tax treatment or tax obligation, if any.

Stamp Duty and Transfer Tax. A transfer of ADSs is not subject to Indian stamp duty. A sale of equity shares in physical form by a non-resident holder will be subject to Indian stamp duty at the rate of 0.015% of the market value of the equity shares on the trade date, although customarily such tax is borne by the transferee. Shares must be traded in dematerialized form.

As per the Finance Act 2019, stamp duty is chargeable on the transfer of shares in dematerialized form. The rate in such case shall be 0.015% of the total market value of the shares, as defined under the framework, in case transfer is made on delivery basis and 0.003% in case transfer is made on non-delivery basis. This provision is applicable from July 1, 2020.

Goods and Service Tax. Brokerage or commission paid to stockbrokers in connection with the sale or purchase of shares is subject to GST at 18% effective July 1, 2017. The stockbroker is responsible for collecting the GST from the shareholder and paying it to the relevant authority. In erstwhile service tax regime, the service tax rate was 15% inclusive of all cess.

Material U.S. Federal Income and Estate Tax Consequences

The following is a summary of the material U.S. federal income and estate tax consequences that may be relevant with respect to the ownership and disposition of equity shares or ADSs (including pursuant to buyback of equity shares by the company (a "buyback")) and is for general information only. This summary addresses the U.S. federal income and estate tax considerations of holders that are U.S. holders. U.S. holders are beneficial holders of equity shares or ADSs who are individuals who are citizens or residents of the United States; corporations (or other entities treated as corporations for U.S. federal tax purposes) created in or under the laws of the United States or any state thereof (or the District of Columbia); estates, the income of which is subject to U.S. federal income taxation regardless of its source, and trusts for which a U.S. court exercises primary supervision and a U.S. person has the authority to control all substantial decisions or that has a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person. This summary is limited to U.S. holders who will hold equity shares or ADSs as capital assets for U.S. federal income tax purposes (generally for investment). In addition, this summary is limited to U.S. holders who are not resident in India for purposes of the Convention between the Government of the United States and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Treaty"). If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, holds the equity shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding equity shares or ADSs should consult his, her or its own tax advisor regarding the tax treatment of an investment in the equity shares or ADSs.

This summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as banks, insurance companies, financial institutions, dealers in securities or currencies, tax-exempt entities,

persons that will hold equity shares or ADSs as a position in a 'straddle' or as part of a 'hedging' or 'conversion' transaction for tax purposes, persons that have a 'functional currency' other than the U.S. dollar or holders of 10% or more, by voting power or value, of the shares of our company. This summary is based on the Internal Revenue Code of 1986, as amended and as in effect on the date of this Annual Report on Form 20-F and on U.S. Treasury Regulations in effect or, in some cases, proposed, as of the date of this Annual Report on Form 20-F, as well as judicial and administrative interpretations thereof available on or before such date, and is based in part on the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

All of the foregoing are subject to change, which change could apply retroactively, or the Internal Revenue Service may interpret existing authorities differently, and a court may sustain such an interpretation any of which could affect the tax consequences described below. This summary does not address U.S. federal tax laws other than income or estate tax or any U.S. state or local or non-U.S. tax laws.

EACH INVESTOR OR PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF ACQUIRING, OWNING OR DISPOSING OF EQUITY SHARES OR ADSs.

Ownership of ADSs. For U.S. federal income tax purposes, holders of ADSs will generally be treated as the holders of equity shares represented by such ADSs.

Dividends. Subject to the passive foreign investment company rules described below, the gross amount of any distributions of cash (or the fair market value of any other property) with respect to ADSs or equity shares (before reduction for any Indian withholding taxes) generally will be included in income by a U.S. holder as ordinary dividend income at the time of receipt, which in the case of a U.S. holder of ADSs generally should be the date of receipt by the Depositary, to the extent such distributions are made from the current or accumulated earnings and profits (as determined under U.S. federal income tax principles) of our company. We do not expect to keep earnings and profits in accordance with U.S. federal income tax principles; therefore, U.S. holders should expect that a distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. holders. To the extent, if any, that the amount of any distribution by our company exceeds our company's current and accumulated earnings and profits (as determined under U.S. federal income tax principles) such excess will be treated first as a tax-free return of capital to the extent of the U.S. holder's tax basis in the equity shares or ADSs, and thereafter as capital gain. Subject to certain limitations, dividends paid to non-corporate U.S. holders, including individuals, may be eligible for a reduced rate of taxation if we are deemed to be a 'qualified foreign corporation' for U.S. federal income tax purposes. A qualified foreign corporation includes a foreign corporation if (1) its shares (or, according to legislative history, its ADSs) are readily tradable on an established securities market in the United States or (2) it is eligible for the benefits under a comprehensive income tax treaty with the United States. In addition, a corporation is not a qualified foreign corporation if it is or has been a passive foreign investment company (as discussed below) for the taxable year in which the dividend is paid or in the preceding taxable year. The ADSs are traded on the NYSE. Due to the absence of specific statutory provisions addressing ADSs, however, there can be no assurance that we are a qualified foreign corporation solely as a result of our listing on NYSE. In addition, it is unclear whether our shares will be considered readily tradeable for this purpose. Nonetheless, we may be eligible for benefits under the Treaty. Each U.S. holder should consult its own tax advisor regarding the treatment of dividends and such holder's eligibility for a reduced rate of taxation.

Subject to certain conditions and limitations, any Indian withholding tax imposed upon distributions paid to a U.S. holder with respect to ADSs or equity shares should be eligible for credit against the U.S. holder's federal income tax liability. Alternatively, a U.S. holder may claim a deduction for such amount, but only for a year in which a U.S. holder does not claim a U.S. foreign tax credit with respect to any foreign income taxes. The overall limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, distributions on ADSs or ordinary shares generally will be foreign source income for purposes of computing the U.S. foreign tax credit allowable to a U.S. holder. The rules governing U.S. foreign tax credits are

very complex and each U.S. holder should consult its own tax advisor regarding the availability of foreign tax credits under such holder's particular circumstances.

If dividends are paid in Indian rupees, the amount of the dividend distribution included in the income of a U.S. holder will be in the U.S. dollar value of the payments made in Indian rupees, determined at a spot exchange rate between Indian rupees and U.S. dollars on the date such dividend is included in the income of the U.S. holder, regardless of whether the payment is in fact converted into U.S. dollars. Generally, gain or loss, if any, resulting from currency exchange fluctuations during the period from the date the dividend is paid to the date such payment is converted into U.S. dollars will be treated as U.S. source ordinary income or loss.

EACH PROSPECTIVE PARTICIPANT IN A COMPANY BUYBACK SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PARTICIPATING IN THE BUYBACK.

Ownership of ADSs. For U.S. federal income tax purposes, U.S. holders generally will be treated as the owners of equity shares represented by such ADSs. Accordingly, the conversion of ADSs into equity shares to participate in the buyback, and the conversion of equity shares that are not tendered in the buyback, or if tendered, are not accepted in the buyback, into ADSs generally will not be subject to U.S. federal income tax.

Tax Treatment of a Buyback. An exchange of equity shares for cash by a U.S. holder pursuant to a buyback will be a taxable transaction for U.S. federal income tax purposes. In such case, depending on the applicable U.S. holder's particular circumstances, such tendering U.S. holder will be treated either as recognizing gain or loss from the disposition of the equity shares or as receiving a distribution from the Company.

Under Section 302 of the Internal Revenue Code, a tendering U.S. holder will recognize gain or loss on the exchange of equity shares for cash if the exchange:

- results in a "substantially disproportionate" redemption with respect to such U.S. holder; or
- is "not essentially equivalent to a dividend" with respect to the U.S. holder.

An exchange of equity shares for cash generally will be a substantially disproportionate redemption with respect to a U.S. holder if the percentage of the voting stock owned by such U.S. holder immediately after the exchange is less than 80% of the percentage of the voting stock owned by such U.S. holder immediately before the exchange and after the exchange the U.S. holder owns less than 50% of the total combined voting power of all classes of stock entitled to vote. In applying the Section 302 tests, each U.S. holder must take into account equity shares and ADSs that such U.S. holder constructively owns under certain attribution rules, pursuant to which a U.S. holder will be treated as owning any equity shares and ADSs owned by certain family members (which family attribution, in certain circumstances, may be waived) and related entities, and Equity Shares and ADSs that the U.S. holder has the right to acquire by exercise of an option. Each U.S. holder is expected to consult with its own tax advisor with respect to the application of such attribution rules given such U.S. holder's particular circumstances.

If an exchange of Equity Shares for cash fails to satisfy the "substantially disproportionate" test, the U.S. holder may nonetheless satisfy the "not essentially equivalent to a dividend" test. An exchange of Equity Shares for cash will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the U.S. holder's equity interest in the company given such U.S. holder's particular facts and circumstances. The Internal Revenue Service (the "IRS") has indicated in published rulings that a relatively minor reduction of the proportionate equity interest of a U.S. holder whose relative equity interest is minimal and who does not exercise any control over or participate in the management of corporate affairs should be treated as "not essentially equivalent to a dividend." Each U.S. holder should consult its tax advisors regarding the application of the rules of Section 302 in its circumstances. Because the Section 302 tests are applied on a stockholder by stockholder basis, a buyback may be a sale or exchange for certain U.S. holders and a distribution for others.

Distribution: If a U.S. holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of equity shares for cash, such U.S. holder will be treated as having received a distribution from the Company. The gross amount of the distribution will generally be treated as dividend income to the extent made from the current or accumulated earnings and profits (as determined under U.S. federal income tax principles) of the Company. Such dividends will not be eligible for the dividends received deduction generally allowed to corporate

U.S. holders. To the extent, if any, that the amount of a buyback exceeds the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles, such excess will be treated first as a tax-free return of the U.S. holder's tax basis in the equity shares and thereafter as capital gain.

The Company does not intend to calculate its earnings and profits according to U.S. tax accounting principles.

Subject to certain conditions and limitations, including the Passive foreign investment company ("PFIC") rules described below, dividends paid to non-corporate U.S. holders, including individuals, may be eligible for a reduced rate of taxation if the Company is deemed to be a "qualified foreign corporation" for U.S. federal income tax purposes. A qualified foreign corporation includes a foreign corporation if (1) its shares are readily tradable on an established securities market in the United States, or (2) it is eligible for the benefits under a comprehensive income tax treaty with the United States, including the Treaty. Based on existing guidance, it is not clear whether a dividend on an equity share will be treated as a qualified dividend, because the equity shares are not themselves listed on a U.S. exchange. However, the Company may be eligible for benefits under the Treaty. A corporation is not a qualified foreign corporation if it is a PFIC in the current taxable year or the prior taxable year (as discussed below).

EACH U.S. HOLDER SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE TREATMENT OF DIVIDENDS AND SUCH HOLDER'S ELIGIBILITY FOR REDUCED RATE OF TAXATION UNDER THE LAW IN EFFECT FOR THE YEAR OF THE DIVIDEND AND WHETHER ANY FOREIGN TAX CREDITS ARE AVAILABLE TO IT IN RESPECT OF INDIAN WITHHOLDING TAX, IF ANY.

Sale or exchange of equity shares or ADSs. Subject to the passive foreign investment company rules described below, a U.S. holder generally will recognize gain or loss on the sale or exchange of equity shares or ADSs equal to the difference between the amount realized on such sale or exchange and the U.S. holder's adjusted tax basis in the equity shares or ADSs, as the case may be. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the equity shares or ADSs, as the case may be, were held for more than one year. Furthermore, any such gain or loss recognized by a U.S. holder generally will be treated as U.S. source passive category income or loss for U.S. foreign tax credit purposes. The sale of equity shares or ADSs by a U.S. holder may be subject to certain taxes in India. See the section titled "Taxation - Indian Taxation - Taxation of Capital Gains" in Item 10 of this Annual Report for additional information. Due to limitations on the use of foreign tax credits, however, a U.S. holder may not be able to utilize such taxes as a credit against the U.S. holder's federal income tax liability resulting from such sale.

Estate taxes. An individual U.S. holder will have the value of the equity shares or ADSs held by such holder included in his or her gross estate for U.S. federal estate tax purposes. An individual holder who actually pays Indian estate tax with respect to the equity shares may, however, be entitled to credit the amount of such tax against his or her U.S. federal estate tax liability, subject to a number of conditions and limitations.

Additional Tax on Investment Income. U.S. holders that are individuals, estates or trusts and whose income exceeds certain thresholds are subject to a 3.8% tax on certain net investment income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, equity shares or ADSs, subject to certain limitations and exceptions.

Backup withholding tax and information reporting requirements. Any dividends paid on, or proceeds from a sale of, equity shares or ADSs to or by a U.S. holder may be subject to U.S. information reporting, and a backup withholding tax may apply unless the holder is an exempt recipient or provides a U.S. taxpayer identification number and certifies under penalty of perjury that such number is correct and that such holder is not subject to backup withholding and otherwise complies with any applicable backup withholding requirements. Any amount withheld under the backup withholding rules will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. holders are required to report information with respect to their investment in equity shares or ADSs not held through a custodial account with a U.S. financial institution on Internal Revenue Service Form 8938, which must be attached to the U.S. holder's annual income tax return. Investors who fail to report the required information could become subject to substantial penalties. Each U.S. holder should consult his, her or its own tax advisor concerning its obligation to file Internal Revenue Service Form 8938.
