

Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an “established securities market,” a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupee.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder’s amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

### ***Passive Foreign Investment Company Rules***

In general, a corporation organized outside the United States will be treated as a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the “**income test**”) or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “**asset test**”). For this purpose, “gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if our Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, our Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

The application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS recently issued proposed U.S. Treasury Regulations (the “**2021 Proposed Regulations**”), and previously issued a notice in 1989 (Notice 89-81, the “**Notice**”) and proposed regulations in 1995 (as amended in 1998, the “**1998 Proposed Regulations**”), which exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the “**Active Banking Exception**”). The 2021 Proposed Regulations are proposed to be effective for taxable years of shareholders beginning on or after January 14, 2021, while the 1998 Proposed Regulations are proposed to be effective for taxable years beginning after December 31, 1994 and provide that taxpayers may apply the 1998 Proposed Regulations to a taxable year beginning after December 31, 1986, provided the 1998 Proposed Regulations are consistently applied to that taxable year and all subsequent taxable years.

The 2021 Proposed Regulations, the Notice, and the 1998 Proposed Regulations each have different requirements for qualifying as a foreign bank and for determining the banking income that may be excluded from passive income under the Active Banking Exception, but the preamble to the 2021 Proposed Regulations authorizes taxpayers to rely upon the Notice or the 1998 Proposed Regulations, as an alternative to the 2021 Proposed Regulations, to determine whether income of a foreign bank may be treated as non-passive. Under the Notice, the 1998 Proposed Regulations and the 2021 Proposed Regulations, a qualifying foreign bank must be licensed in the country of its incorporation to do business as a bank and must meet certain deposit-taking requirement. A qualifying active bank must also meet lending requirements under the Notice and the 1998 Proposed Regulations and, under the 2021 Proposed Regulations, must also carry out one or more specified active financing activities, which include making loans, with unrelated customers in the ordinary course of a banking business.

Under the Notice, a non-U.S. corporation satisfies the deposit-taking requirement if, among other things, the average for the taxable year of deposits accepted by the corporation from unrelated persons equals at least 50 percent of the average of total liabilities of the corporation for the year. Under the 1998 Proposed Regulations, a non-U.S. corporation satisfies the deposit-taking requirement if, among other things, the amount of deposits shown on the corporation’s balance sheet is substantial. Whether the amount of deposits on a corporation’s balance sheet is substantial depends on all the facts and circumstances, including whether the capital structure and funding of the bank as a whole are similar to that of comparable banking institutions engaged in the same types of activities and subject to regulation by the same banking authorities. Under the 2021 Proposed Regulations, a non-U.S. corporation satisfies the deposit-taking requirement if the corporation regularly receive bank deposits from unrelated customers in the ordinary course of its banking business. A non-U.S. corporation satisfies the lending requirement under the 1998 Proposed Regulations if the corporation regularly makes loans to customers in the ordinary course of its trade or business.

Our Company does not satisfy deposit-taking requirement under the Notice, the 1998 Proposed Regulations or the 2021 Proposed Regulations and, accordingly, is not eligible for the Active Banking Exception.

Based on the nature of our business, the composition of our income and assets, the value of our assets, our intended use of the proceeds from the Offer, and the expected price of our Equity Shares, we believe that we were a PFIC for the taxable year