

## NOTE ON TAXATION FOR BUYBACK OF SHARES

Disclosures in this section are based on the opinion obtained by the Company from Hemant Mahajan & Associates, Chartered Accountants dated May 13, 2026.

### **Quote**

The Buyback of Equity Shares is subject to applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended, and the provisions of the Income-tax Act, 2025 read with applicable rules, notifications and circulars issued thereunder.

Pursuant to amendments applicable from 1 April 2026 under the Income-tax Act, 2025, consideration received by shareholders on buyback of shares is generally taxable in the hands of the shareholders under the head “**Capital Gains**”, subject to applicable provisions of the Act.

Accordingly, shareholders participating in the Buyback may be liable to compute and discharge applicable tax on capital gains arising on tendering of Equity Shares in the Buyback, after considering cost of acquisition, period of holding, indexation benefits wherever applicable, applicable surcharge and cess.

Further, special tax provisions may apply in case of promoters and promoter group shareholders participating in the Buyback, including additional tax implications as may be prescribed under the Income-tax Act, 2025.

The tax treatment of the Buyback may differ depending upon the residential status of the shareholder, nature of shareholding, characterization of income, applicable tax treaty provisions, availability of exemptions/deductions and other relevant facts.

Shareholders are advised to consult their own tax advisors to determine the tax consequences arising out of participation in the Buyback, including applicability of capital gains tax, set-off of losses, availability of foreign tax credit, withholding tax implications and reporting requirements under applicable law.

The Company does not accept any responsibility for the tax treatment to any shareholder and shareholders are solely responsible for compliance with applicable tax laws.

### **Key Legal References**

<b>Particulars</b>	<b>Reference</b>
Buyback taxation provisions	Income-tax Act, 2025
Capital gains treatment for buyback from 1 <sup>st</sup> April 2026	Income tax Act,2025 as amended by Finance Act 2026
Buyback regulations	SEBI (Buy-back of Securities) Regulations, 2018
Company law provisions	Section 68 of Companies Act, 2013
From 1 <sup>st</sup> Apr 2026	Proposed shift to taxation as capital gains in shareholders' hands

The above position is based on publicly available explanations and Income tax Act,2025 as amended by Finance Act 2026. Mentioned the applicable tax rates category wise

Below is the revised disclosure including indicative category-wise tax rates applicable on buyback of listed equity shares under the proposed provisions applicable for FY 2026-27.

Rates may be updated based on final enactment, treaty benefits and future CBDT notifications.

## Disclosure on Taxation of Buyback of Equity Shares under the Income-tax Act, 2025

### Note on Tax Implications to Shareholders

The Buyback of Equity Shares is subject to applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended, and the provisions of the Income-tax Act, 2025 read with applicable rules, notifications and circulars issued thereunder.

Pursuant to amendments applicable from 1 April 2026 under the Income-tax Act, 2025, consideration received by shareholders on buyback of listed equity shares is generally taxable in the hands of the shareholders under the head "Capital Gains".

The taxability would generally depend upon the period of holding and residential status of the shareholder. Indicative tax rates presently applicable are summarized below:

Category of Shareholder	Nature of Gain	Indicative Tax Rate*
Resident Individual / HUF / Firm / Domestic Company	Short Term Capital Gain (shares held up to 12 months)	20% plus applicable surcharge and cess
Resident Individual / HUF / Firm / Domestic Company	Long Term Capital Gain (shares held for more than 12 months)	12.5% exceeding prescribed exemption threshold, plus surcharge and cess
Foreign Portfolio Investors (FPIs)	Short Term Capital Gain	20% plus applicable surcharge and cess
Foreign Portfolio Investors (FPIs)	Long Term Capital Gain	12.5% plus applicable surcharge and cess
Non-Resident Shareholders (other than FPIs)	Short Term / Long Term Capital Gain	As per applicable provisions of the Income-tax Act, 2025 or relevant Double Taxation Avoidance Agreement ("DTAA"), whichever is more beneficial

***\*The above rates are indicative and subject to amendments, availability of treaty benefits, judicial interpretations and satisfaction of prescribed conditions.***

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, **Securities Transaction Tax** will be applicable at the applicable rate.

Shareholders participating in the Buyback may be required to compute capital gains after considering cost of acquisition, grandfathering provisions wherever applicable, period of holding and other provisions of the Income-tax Act, 2025.

Non-resident shareholders may also be subject to withholding tax requirements, submission of tax residency certificate, beneficial ownership documents and other information as may be required under applicable law. The tax treatment of the Buyback may differ depending upon the residential status of the shareholder, nature of shareholding, characterization of income, applicability of treaty benefits, availability of exemptions/deductions and specific facts of each case.

**Shareholders are advised to consult their own tax advisors to determine the specific tax consequences arising out of participation in the Buyback.**

**The Company does not accept any responsibility for the tax treatment to any shareholder and shareholders are solely responsible for compliance with applicable tax laws.**

### Unquote

***This note is available on Page no. 49-50 of Letter of Offer***