

To,
The Board of Directors
Ashiana Housing Limited,
304, Southern Park
Saket District Centre,
Saket, New Delhi 110017

Subject : Proposed buy back of equity shares of face value ₹ 2/- each ("Equity Shares") by Ashiana Housing Limited (the "Company") for an amount not exceeding ₹ 55 Crores, excluding transaction costs, at a buy back price not exceeding ₹ 301/- per Equity Share through tender offer route ("Buy Back") in terms of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buy Back Regulations")

We, B. Chhawchharia & Co., Chartered Accountants, hereby certify that the enclosed annexure - "Note on Taxation" provides for the summary of tax consideration available to the equity shareholders of the Company under the Income Tax Act, 1961, as amended from time to time (the "ITA"), presently in force in India, in relation to Buy Back of Equity Shares of the Company.

The enclosed annexure is only intended to provide general information to the equity shareholders of the Company under the ITA and for inclusion in the public announcement, letter of offer, post offer public advertisement, addendum and corrigendum, if any ("**Offer Documents**") issued to equity shareholders of the Company and is neither designed nor intended to be a substitute for professional tax advice. Each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Buy Back.

We hereby consent to the inclusion of our name and our opinion in the Offer Documents and any other documents to be made from time to time for the Buy Back.

We authorize Company and Manager to the Buy Back to deliver a copy of this certificate to Securities and Exchange Board of India, the stock exchanges on which the Equity Shares of the Company are listed or any other legal/governmental/regulatory authority as may be required under any applicable laws or if requested for by any such legal/governmental/regulatory authority.

This certificate may be relied on by Emkay Global Financial Services Limited, being the Manager to the Buy Back.

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Firm Registration No: 305123E



Abhishek Gupta

Partner

Membership No: 529082

UDIN : 23529082 BGV ONF 7096

Place: New Delhi

Date: 12th July, 2023

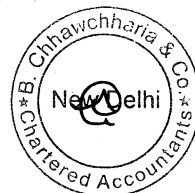
CC:

Emkay Global Financial Services Limited

The Ruby, 7th Floor,

Senapati Bapat Marg,

Dadar-West, Mumbai -400028



ANNEXURE - NOTE ON TAXATION

THE FOLLOWING SUMMARY OF THE TAX CONSIDERATIONS IS BASED ON THE READING OF THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE COMPLEXITY AND THE SUBJECTIVITY INVOLVED IN THE TAX CONSEQUENCES OF A BUY BACK TRANSACTION, ELIGIBLE SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE TAX TREATMENT IN THEIR HANDS CONSIDERING THE RELEVANT TAX PROVISIONS, FACTS AND CIRCUMSTANCES OF THEIR CASE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND EXPLICITLY DISOWNS ANY LIABILITY ARISING OUT OF ANY ACTION INCLUDING A TAX POSITION TAKEN BY THE ELIGIBLE SHAREHOLDER BY RELYING ON THIS SUMMARY.

THE SUMMARY OF TAX CONSIDERATIONS RELATING TO BUY BACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GENERAL GUIDANCE PURPOSES ONLY.

I. GENERAL

The Indian tax year runs from 1 April to 31 March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 ('Act' or 'ITA').

A person who qualifies as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the Company's shares would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act. Further, the non-resident can avail themselves of the beneficial provisions of the Double Taxation Avoidance Agreement between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions of eligibility and otherwise and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

The summary of tax implications on buyback of equity shares listed on the stock exchanges in India is set out below. All references to equity shares in this note refer to equity shares listed on the recognised stock exchange(s) in India unless stated otherwise.



II. INCOME TAX PROVISIONS IN RESPECT OF BUY BACK OF SHARES LISTED ON THE RECOGNISED STOCK EXCHANGE

A. The amended provisions of Section 115QA of the Act provides for the levy of additional income tax at the rate of twenty percent (plus surcharge @ 12% and Health and Education cess @ 4%) of the distributed income on account of buyback of shares by the company. However, in case of buyback of shares which are listed on recognized stock exchange, the said provisions are applicable only in respect of shares whose public announcement of buy back has been made on or after 5 July 2019. Thus, any buyback of shares from a shareholder by a company listed on a recognised stock exchange, on or after 5th July 2019, shall also be covered by the provisions of section 115QA of the Act. The consequential income arising in the hands of shareholders has been exempted from tax under sub-clause (34A) of section 10 of the Act. With the amendment in the Act, extending the provisions of Section 115QA of the Act to companies listed on recognised stock exchange, exemption under sub-clause (34A) of section 10 of the Act is extended to shareholders of the listed company on account of buyback of shares, for which public announcement has been made after 5th July,2019 ,on which additional income-tax has been paid by the company.

B. Thus, the tax implications to the following categories of shareholders are as under:

1. Resident Shareholders

Income arising to the shareholder on account of buyback of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

2. Non-Resident Shareholders

While the income arising to the shareholder on account of buyback of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a non-resident shareholder as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non- resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

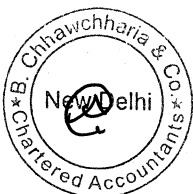
C. Tax Deducted at Source/ Withholding Tax ('TDS/WHT')

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ buy-back of shares in case of resident shareholders.

The consequential income arising in the hands of shareholder will be exempted by virtue of sub clause (34A) of Section 10 of the Act. Therefore, no TDS/WHT will be deductible on the said income.

D. SECURITIES TRANSACTION TAX (STT)

Since the buyback of equity shares shall take place through the settlement mechanism of the stock exchange, securities transaction tax at 0.1% of the value of the transaction will be applicable.



III. CAVEAT

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such changes could have different tax implications on these tax considerations.

In view of the specific nature of tax consequences, shareholders who are not tax residents of India are required to consult their tax advisors for the applicable tax and the appropriate course of action that they should take considering the provisions of the relevant Country or State tax law and provisions of DTAA where applicable. The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

