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Corporate Identification No - L65999MH1986PLC147981

July 25, 2022

The Manager
The Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

The Manager
The Listing Department
National Stock Exchange Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051

NSE Symbol : IVC
BSE Security Code : 511208
ISIN : INE050B01023

Re : Communication to Shareholders - Intimation on Tax Deduction on Dividend

Dear Sirs :

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, Dividend Distribution Tax is abolished and dividend income is taxable in the hands of the shareholders

In this regard, please find enclosed herewith an email communication which has been sent on July 22, 2022 to all the shareholders having their email ID's registered with the Company/Depositories explaining the process on withholding tax from dividend paid to the shareholders at prescribed rates. This information is also available on the website of the Company at <https://iimlindia.com/tax-dividend.aspx>

This is for your information and records

Kindly take the same on record

Thanking you,

Yours sincerely,

Sanjay Mitra
Company Secretary

Encl : as above



Deduction of tax at source on dividend – IL&FS Investment Managers Limited
ilfsinvestment.update
to:
investor.relations
22-07-2022 15:50
Hide Details
From: ilfsinvestment.update@linkintime.co.in
To: investor.relations@ilfsindia.com

IL&FS INVESTMENT MANAGERS LIMITED

The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

CIN: L65999MH1986PLC147981

Website: www.iimlindia.com; **Email:** investor.relations@ilfsindia.com

Date: 22/07/2022

Dear Shareholder(s) :

Subject : Deduction of tax at source on dividend – IL&FS Investment Managers Limited

We hope that you and your family are doing well and are safe and healthy

We are pleased to inform you that the Board of Directors of your Company (“Board”), at their meeting held on May 30, 2022, have recommended a dividend of Rs. 0.40 per equity share having nominal value of Rs. 2/- each for the financial year ended March 31, 2022, subject to the approval of the shareholders of IL&FS Investment Managers Limited (“the Company”) at its ensuing Annual General Meeting

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on the record date, i.e. August 30, 2022

In terms of the provisions of the Income-tax Act, 1961, (“the Act”), dividend paid or distributed by a Company on or after April 1, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below :

➤ For resident shareholders

Tax will be deducted at source (“TDS”) under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed / paid to them by the Company during a financial year does not exceed Rs. 5,000

TDS will not be deducted in cases where a shareholder provides Form 15G (applicable to resident individual) / Form 15H (applicable to resident individual aged 60 years and above), provided that the eligibility conditions are met. Blank Form 15G and 15H can be downloaded from the Company website - <http://iimlindia.com/tax-dividend.aspx>. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if it does not fulfil the requirements of law

Needless to mention, valid Permanent Account Number (“PAN”) will be mandatorily required

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below :

- i. **Insurance companies:** Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 and that the provisions of Section 194 of the Act are not applicable to them along with self-attested copy of registration certificate and PAN card;
- ii. **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Act along with self-attested copies of registration documents and PAN card;
- iii. **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations, along with copy of self-attested registration documents and PAN card
- iv. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card
- v. **Other shareholders** – Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card
- vi. Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / NIL rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration

➤ **For non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty (DTAA) benefits, the non-resident shareholder will have to provide the following :

- i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
- ii. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident;
- iii. Self-declaration in Form 10F;
- iv. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act);
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;
- vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA)

The self-declarations referred to in point nos. (iii) & (iv) can be downloaded from the Company website -

<http://iimlindia.com/tax-dividend.aspx>

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirements of Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend

➤ **Section 206AB of the Act**

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons :

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions :

- A person who has not filed the income tax return for the previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Act has expired; and
- The aggregate of TDS and Tax Collected at Source in his case is Rs. 50,000 for the said previous year

The above details shall be verified from the Government enabled online facility and the same shall be considered as final

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents **not later than August 25, 2022**

Shareholders are requested to send all the relevant requisite tax related documents mentioned above duly quoting their Folio No. or DP Id-Client Id to M/s Link Intime India Private Limited, Unit – IL&FS Investment Managers Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 or scanned copies can be sent at ilfsinvestdivtax@linkintime.co.in and investor.relations@ilfsindia.com

To summarise, dividend will be paid after deducting the tax at source as under :

- i. NIL for resident individual shareholders receiving dividend up to Rs. 5000 or in case Form 15G /

Form 15H (as applicable) along with self-attested copy of the PAN card is submitted

- ii. 10% for other resident shareholders in case copy of PAN card is provided / available
- iii. 20% for resident shareholders if copy of PAN card is not provided / not available / Shareholder is categorised as Specified person under Section 206AB of the Act as per the Government enabled facility
- iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders
- v. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted
- vi. Lower / NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act

Aforesaid rates will be subject to applicability of Section 206AB of the Act

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules. This declaration should be shared by September 3, 2022. Kindly note that no declaration shall be accepted after September 3, 2022

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted

➤ **Updating PAN, email address, Bank account details and other details**

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers, bank account details and other details with their relevant depositories through their depository participants

Shareholders holding shares in physical mode are requested to get the said details updated/registered with the Company's registrar and share transfer agent (RTA) – M/s Link Intime India Private Limited at the below mentioned address, duly quoting your Folio No. / DP Id-Client Id and by submitting the requisite documents mandated by SEBI. The details will be updated by RTA, provided the other relevant KYC details are registered

Address for correspondence with RTA :

M/s Link Intime India Private Limited
 Unit – IL&FS Investment Managers Limited
 C-101, 247 Park, L B S Marg, Vikhroli (West),
 Mumbai 400 083
 Email id : rnt.helpdesk@linkintime.co.in

Kindly note that the Company is obligated to deduct TDS based on the records available with RTA and no request will be entertained for revision of TDS return. No communication on the tax determination / deduction shall be entertained after August 25, 2022

Further note that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such

shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings

We seek your co-operation in the above matter

Thank you

With warm regards

Sanjay Mitra
Company Secretary

***Disclaimer:** The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the shareholders are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend*

Note: This is a system generated e-mail. Please do not reply to this e-mail.

