

**Mukand Ltd.**

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Tel : 91 22 6121 6666 Fax : 91 22 2202 1174  
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India 400 605  
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179  
CIN : L99999MH1937PLC002726

24<sup>th</sup> August, 2021

1. Department of Corporate Services <b>BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. <b>ISIN CODE:</b> INE304A01026 & INE304A04012 BSE Scrip Code : 500460	2. Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051. <b>SINCODE:</b> INE304A01026 & INE304A04012 <b>NSE Scrip Name:</b> MUKANDLTD.
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**Sub.: Communication to Shareholders: Equity Dividend for FY2020-21 – Intimation on Tax Deduction at source (TDS)/ withholding tax on Dividend**

Dear Sir/ Madam,

This is to inform you that the Company has sent a detailed email communication on 23<sup>rd</sup> August, 2021 to all the Equity Shareholders whose email addresses are registered with the Company/Depositories, intimating the detailed process and documentation required for claiming exemption from deduction/ withholding of tax on dividends proposed to be paid by the Company on declaration of the same by the Company at the ensuing Annual General Meeting.

A copy of the aforesaid communication sent to the shareholders is enclosed

This is for your information and record.

For **Mukand Limited**



**K. J. Mallya**  
Company Secretary



## MUKAND LIMITED

(CIN: L99999MH1937PLC002726)

Registered Office: Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point,  
Mumbai - 400 021, Tel: 022-61216666,

E-mail: [investors@mukand.com](mailto:investors@mukand.com), Website: [www.mukand.com](http://www.mukand.com)

### **Communication on Tax Deduction at Source (TDS) on dividend**

23rd August 2021

Dear Shareholder,

We hope that you and your family are doing well and are safe and healthy. Please take care of yourselves.

We wish to inform you that the Board of Directors of your Company has at its meeting held on 25th May, 2021 recommended dividend of Re. 1/-per equity share, of the face value of Rs. 10/- each, for the financial year ended March 31 2021.

The dividend, as recommended by the Board, if approved by the shareholders at the ensuing 83rd Annual General Meeting ('AGM'), will be credited/ dispatched on Wednesday, 22nd September, 2021 and/ or Thursday, 23rd September, 2021 ,as under:

- a. To all those shareholders holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on Friday, 10, September, 2021; and
- b. To all those shareholders holding shares in physical form, as per the details provided to the Company by the share transfer agent of the Company i.e. KFin Technologies Pvt. Ltd. (KFin), as at the close of business hours on Friday, 10 September, 2021.

As you may be aware, the Finance Act, 2020 has abolished the Dividend Distribution Tax (DDT) and has introduced the system of dividend taxation in the hands of the shareholders with effect from 1 April 2020. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its shareholders (resident as well as non-resident).

You are requested to ensure that the below details, as applicable to you, are submitted and/ or updated with KFin/ your demat account(s) maintained with the Depository participant(s) for the purpose of complying with the applicable TDS provisions:

- Valid Permanent Account Number (PAN);
- Residential status as per the Income-tax Act, 1961 ('the Act'), i.e. Resident or Non-Resident for FY 2021-22;

- Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) - Category I, II and III, Government (Central/ State Government), Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.;
- Email Address;
- Bank account details; and
- Address (including country).

Following additional documents are to be submitted by the shareholders holding shares in physical form:

- Scanned copy of cancelled cheque leaf of the above-mentioned bank account; (In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.); and
- Self-attested copy of your PAN card.

This will facilitate receipt of dividend directly in your bank account.

### Resident Shareholders:

Tax shall be deducted at source under section 194 of the Income Tax Act, 1961 ('Act') @ 10% on the amount of dividend declared and paid by the Company during financial year 2021-22, subject to the following:

Sr. No	Particulars	Rate of TDS applicable	Section under the Act
1	PAN is not available/ Invalid PAN	20%	206AA
2	Non-linking of PAN with Aadhaar, if allotted (refer Note 1)	20%	206AA
3	Non-filing of return of income tax for any of the last two financial years (i.e. FY 2018-19 and FY 2019-20); and TDS as well as TCS deduction in each of these years in case of the shareholder is Rs 50,000 or more (refer Note 2)	20%	206AB

Note 1: As per Section 139AA(2) of the Act read with Rule 114AAA of the Income tax Rules, 1962, currently, PAN is mandatorily required to be linked with Aadhaar by 30 September, 2021. If PAN is not linked with Aadhaar by 30 September, 2021 (unless such due date is extended), such PAN will be deemed inoperative and tax at source will be required to be deducted at higher rates under section 206AA of the Act.

Note 2: Provisions of section 206AB of the Act are applicable with effect from 1 July, 2021.

No tax shall be deducted at source on the dividend payable to a resident individual, if the total dividend to be received by the said resident individual from the Company during a financial year does

not exceed Rs. 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/ Form 15H or other documents specified in Annexure - A as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower rate or Nil rate withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

A list of documents/ declarations required to be provided by the resident shareholders is enclosed as Annexure - A (Part 1) herewith. Kindly note that the aforementioned documents should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent at <https://ris.kfintech.com/form15/> or emailed to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). No communication on the tax determination/ deduction shall be entertained after 10th September, 2021.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

#### **Non-resident Shareholders:**

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the Act at the rates in force. As per the relevant provisions of the Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health & education cess.

However, as per section 90 of the Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

In order to claim the benefit of DTAA, the non-resident shareholders will have to provide required documents/ declarations. A list of such documents/ declarations required to be provided by the shareholders is enclosed as Annexure - A (Part 2) herewith. Kindly note that the said documents should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent at [https://ris.kfintech.com/form15](https://ris.kfintech.com/form15/) or emailed to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). No communication on the tax determination/ deduction shall be entertained after 10th September 2021.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the

said PAN will be considered on the entire holding in different accounts.

- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders within the timeline mentioned above, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted. The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, if declared in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometax.gov.in/home>.

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/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

*FAQs relating to the above [Click here](#) and to download - Annexure A [Click here](#)*

We seek your co-operation in the matter.

Thanking you,

**For Mukand Limited**

**K J Mallya**  
**Company Secretary**