

Ref. NS: SEC:
24th June, 2023

National Stock Exchange of India Ltd.,
Exchange Plaza, 3rd Floor
Plot No.3-1."G" Block, I.F.B. Centre,
Bandra-Kurla-Complex, Bandra (East),
Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400001

Bourse de Luxembourg
Societe de la Bourse de Luxembourg
Societe Anonyme/R.C.B. 6222
B.P. 165, L-2011 Luxembourg.

London Stock Exchange Plc
10 Paternoster Square
London EC4M 7LS

Dear Sirs,

Sub: Communication to Shareholders: Dividend for FY 2022-23 - Intimation on Tax Deduction at Source (TDS)/ withholding tax on Dividend

Pursuant to the changes introduced by the Finance Act, 2020, Dividend Distribution Tax has been abolished with effect from 1st April, 2020 and the Dividend income has become taxable in the hands of the Shareholders.

In this regard, please find enclosed an email communication which has been sent to all the Shareholders whose email addresses are registered with the Company/ RTA or Depositories inter alia indicating the process and documentation required for claiming tax exemption on dividend.

This is for your information and record.

Thanking you,

Yours faithfully,
For Mahindra & Mahindra Limited

NARAYAN SHANKAR
COMPANY SECRETARY
Encl: as above



Mahindra & Mahindra Limited
Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001
CIN: L65990MH1945PLC004558
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THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Intimation on Tax Deduction at Source (TDS) / withholding tax on Dividend for Financial Year 2022-23

Date: 24th June, 2023

Name of the Member:

Ref: Folio / DP Id & Client Id No:

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company, at its Meeting held on 26th May, 2023, has recommended a dividend of Rs. 16.25 per Ordinary (Equity) share of Rs. 5 each for the Financial Year ended 31st March, 2023.

The Dividend will be paid after 4th August, 2023, subject to the approval of Members at the 77th Annual General Meeting ("AGM") scheduled to be held on Friday, 4th August, 2023.

As you are aware that pursuant to the Income Tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, dividends paid or distributed by a company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source ("TDS") at the time of making the payment of the dividend at the rates applicable on the amount distributed to the shareholders, if approved at the forthcoming AGM.

All shareholders are requested to ensure that the details such as PAN, residential status, category of shareholder (e.g. Domestic company, foreign company, Individual, Firm, LLP, HUF, Foreign Portfolio Investor (FPI), Foreign Institutional Investor (FII), Government, Trust, Alternate Investment Fund - Category I, II or III, etc.), email id and address are updated, in their respective demat account(s) maintained with the Depository Participants. Please note that these details as available on Friday, 14th July, 2023 in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable withholding tax provisions as the Register of Members and Share Transfer Books of the Company will remain closed for payment of Dividend and AGM from Saturday, 15th July, 2023 to Friday, 4th August, 2023 (both days inclusive).

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

I FOR RESIDENT SHAREHOLDERS

Tax is required to be deducted at source under Section 194 of the Act at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case shareholders do not have PAN or have invalid PAN or have not registered their valid PAN details with their Depository Participant / the Company's Registrar and Transfer Agent or shareholder's PAN is not linked with Aadhar or shareholders are classified as specified person u/s 206AB of the Act, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. Resident Individuals

No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them from the company during the Financial Year (FY) 2023-24 does not exceed Rs. 5,000/-; or
- ii. The shareholder provides Form 15G (applicable to individuals) / Form 15H (applicable to individuals who are 60 years and above), provided that all the required eligibility conditions are met. Please note that all fields are mandatorily to be filled up and Company may at its sole discretion reject the form, if it does not fulfil the prescribed requirement of law; or

iii. Exemption certificate, if any, issued by the Income-tax Department.

[Click here](#) to download Form 15G

[Click here](#) to download Form 15H

Note: Recording of PAN for the registered Folio/DP Id-Client Id is mandatory.

b. **Resident Non-Individuals**

➤ No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per format of Declaration regarding Category and Beneficial Ownership of shares.

- i. **Insurance Companies:** Self-declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
- ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- v. **Recognized Provident Fund:** Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- vi. **Approved Superannuation Fund:** Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
- vii. **Approved Gratuity Fund:** Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.
- viii. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

[Click here](#) to download Declaration regarding Category and Beneficial Ownership of shares.

➤ In case a shareholder is Government (Central/State), no TDS is required to be deducted as per Section 196(i) of the Act.

c. In case shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Act for lower / Nil withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy to the Company.

II **FOR NON-RESIDENT SHAREHOLDERS**

a. **As per Domestic Tax Law**

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the applicable rates in force.

As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them.

In case of GDRs and FI/FPIs, the withholding tax shall be as per the rates specified in Section 196C and 196D of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them.

For non-resident shareholders who are tax residents of Notified Jurisdictional Area as defined under Section 94A(1) of the Act, tax will be required to be deducted @30%.

For Sovereign Wealth Fund, Pension Funds, Other bodies notified under Section 10(23FE) of the Act, self-declaration to be provided substantiating fulfilment of conditions prescribed under the aforesaid Section of the Act.

[Click here](#) to download Declaration by Sovereign Wealth Fund, Pension Funds, Other bodies notified under Section 10(23FE) of the Act.

In case non-resident shareholders provide a certificate issued under Section 197/195 of the Act for lower/Nil withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy of the same.

b. **As per Double Tax Avoidance Agreement (DTAA)**

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail DTAA benefit, the non-resident shareholders are required to submit the following:

- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) for Financial Year 2023-24 obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from 1st April, 2023 to avail the benefit of DTAA.
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement for Financial Year 2023-24.

[Click here](#) to download Declaration regarding Tax Residency and Beneficial Ownership of shares.
- v. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.
- vi. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- vii. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

III **TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME**

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from the amount paid / credited to a specified person:

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%.

A 'specified person' means a person who has:

- i. not filed return of income for one preceding assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-Section (1) of Section 139 has expired; and
- ii. subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in said immediate previous year.

The non-residents who do not have the permanent establishment and residents who are not required to file a return under Section 139 of the Act are excluded from the scope of a specified person.

Further, as per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar shall be required to link the PAN with Aadhaar latest by 30th June, 2023 unless extended by Central Board of Direct Taxes (CBDT). In case of failure to comply to this, the PAN allotted shall be deemed to be invalid / inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June, 2021, the Company will be using functionality of the Income-tax Department for determination of specified person for the purpose of Section 206AB of the Act.

IV **DECLARATION UNDER RULE 37BA**

In case the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on 14th July, 2023, in terms of Rule 37BA of the Income-tax Rules 1962, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before 15th July, 2023. No request in this regard would be accepted by the Company/RTA after the said date or payment of dividend.

V **FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY**

Shareholders holding Ordinary shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

VI **NSDL'S TAX SERVICE**

The Resident Non-Individual Members such as Insurance companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members such as Foreign Portfolio Investors may submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines.

VII **SUBMISSION OF TAX RELATED DOCUMENTS**

Kindly note that the aforementioned documents are required to be submitted on or before 7th July, 2023 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post 7th July, 2023.

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.

[Click here](#) to submit the Tax Exemption Forms online

Notes:

- i. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
- ii. In case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you or incomplete documents, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such higher taxes deducted.
- iii. 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/iec/foportal/>.
- iv. For all self-attested documents, shareholders must mention "certified true copy of the original" on the document. For all documents being submitted by the shareholder, the shareholder undertakes to send the original document(s) on the request by the Company.
- v. Above communication on TDS 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. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
- vi. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.
- vii. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be 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 appellate proceedings.
- viii. 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 contact the Company's Registrar and Share Transfer Agent KFin Technologies Limited at einward.ris@kfintech.com for updating the above-mentioned details. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and **no request will be entertained for revision of TDS return.**

Incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

In case of any queries, you may write to us at einward.ris@kfintech.com.

Your co-operation in this regard is solicited.

Thanking you,

Yours faithfully,
For **Mahindra & Mahindra Limited**

Narayan Shankar
Company Secretary
ACS 8666

This is a system generated Email. Please do not reply to this Email.
