***Intimation on Tax Deduction on Dividend***

Dear Shareholder,

As you are aware that as per the Income Tax Act, 1961(the “Act”) as amended by the Finance Act, 2020, dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the Final Dividend 2023-24, if approved at the (35th) Annual General Meeting (AGM) of the Company scheduled to be held on 16th July , 2024.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table1 and 2 below:

# Table1: Resident Shareholders

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| --- | --- | --- |
| ***Category of Shareholder*** | ***TaxDeductionRate*** | ***Exemption Applicability/Documents required*** |
| *Any residents hareholder* | *10%* | *Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents i.e. M/s.MCS Share Transfer Agent Ltd. at F-65, 1stFloor, Okhla Industrial Area , Phase-I, New Delhi - 110020 ( in case of shares held in physical mode).**No deduction of taxes in the following cases–*· *If dividend income to a resident* ***Individual*** *shareholder during FY 2024 - 25 does not exceed INR 5,000/-,*·*If shareholder Is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.* |
| *Submitting Form15G / Form15H* | *NIL* | *Eligible Shareholder providing Form15G* ***(Annexure1a)*** *(applicable to any person other than a Company or a Firm) /Form15H* ***(Annexure1b)*** *(applicable to an Individual above the age of 60 years) - on fulfillment of prescribed conditions.* |
| *Order under section 197of the Act* | *Rate provided in the order* | *Lower / NIL withholding tax certificate obtained from Income tax authorities.* |
| *Insurance Companies: Public &Other Insurance Companies* | *NIL* | *Self - declaration that it has full beneficial interest with respect to shares owned, along with self - attested copy of PAN card and registration certificate* |

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| *Corporation established by order a Central Act which his, under any law for the time being in force, exemption income - tax on its income.* | *NIL* | *Documentary evidence the person is that covered under196 of the section Act.* |
| *Mutual Funds* | *NIL* | *Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate* |
| *Alternative Investment Fund (AIF)**Established / Incorporated in India-* | *NIL* | *Documentary evidence that the person is covered by Notification No.51 / 2015 dated 25 June 2015 (OR) Self declaration that its income is exempt under Section10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category IIAIF along with self - attested copy of the PAN Card and registration certificate* |
| *Recognized Provident Fund* | *NIL* | *Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule ot 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.* |
| *Approved Superannuation Fund/ Approved Gratuity Fund* | *NIL* | *Self-attested copy of valid approval granted by the Commissioner needs to be submitted:*1. *Under Rule 2 of Part B of Fourth Schedule to the Act( In case of Approved Superannuation Fund)*
2. *Under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund)*
 |
| *National Pension Scheme* | *NIL* | *Documentary evidence including self - declaration and self - attested copy of PAN* |
| *IFSC Units of a Finance Company, Finance unit and Broker Dealer opting to claim deduction u/s 80LA(1A) / 80LA(2)* | *NIL* | *Self-attested copy of PAN and Self-declaration in Form 1(****Annexure 3****) in accordance with the notification no. 28 / 2024 dated 07 March 2023 issued by CBDT*  |
| *Other resident shareholder without**PAN / Invalid PAN / Inoperative PAN* | *20%*  |  |

***Please Note that:***

1. *Recording of the valid Permanent Account Number (PAN) for the registered Folio/ DP ID - Client IID is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.*
2. *Shareholders holding 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.*
3. *Shareholders whose PAN is not linked to Aadhar are treated as Inoperative PAN and in such cases, tax will be deducted at a higher rate of 20% as per section 206AA of the Act.*

# Table2: Non - resident Shareholders

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| ***Categoryof Shareholder*** | ***TaxDeduction Rate*** | ***ExemptionApplicability/Documentsrequired*** |
| *Any non-resident shareholder* | *20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower* | *Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate read with MLIs shall be applied for tax deduction at source on submission of following documents to the company** *Self-attested Copy of the PAN Card, if any, allotted by the Indian authorities .If the PAN is not allotted , please provide your e-mail address, contact number, tax identification number allotted in the country of residence and address in country of residence*
* *Self-attested copy of Tax Residency Certificate( TRC ) valid as on the date of declaration of dividend obtained from the tax authorities of the country of which the shareholder is resident*
* *Copy of electronically filed Form 10F on Income Tax Portal*
* *Self -declaration confirming not having a Permanent Establishment in India , eligibility to Tax Treaty benefit and do not/will not have place of effective management in India.* ***(Annexure 4 for companies and Annexure 5 for other than companies)***

*TDS shall be deducted at 20% ( plus applicable surcharge and cess )if any of the above-mentioned documents are not provided.**The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts.* |

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|  |  | *Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.* |
| *Foreign Institutional Investors, Foreign Portfolio**Investors (FII , FPI)* | *20% (plus applicable surcharge and cess)* | *None* |
| *Submitting Order under section 195(3 )/ 197 of the Act* | *Rate provided in the Order* | *Lower / NIL withholding tax certificate obtained from Income Tax authorities.* |

**Note:** The Shareholders holding 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 indifferent accounts.

Kindly note that the aforesaid documents, duly executed, as explained in the Tables 1 and 2 above, as applicable, are required to be sent through email at **shares@dcmshriram.com** and directly send the original to the Company at its registered office at 2ndFloor, Worldmark-1 (West Wing), Aerocity, New Delhi – 110037 **on or before 9thJuly 2024** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Members sending documents through email are required to send the original documents later to Company at its registered office address.

It may be further noted that in case the tax on said Final Dividend 2023-24 is deducted at a higher rate in the absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

# Special Provisions of Section 206AB Of the Act (For non- filers of tax return - For resident shareholders and selected non-resident shareholders)

The rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non - filers of income-tax return. As provided in section206AB,tax is required to be deducted at higher of following rates in case of payments to specified persons:

* *Twice the rate specified in the relevant provision of the Act; or*
* *Twice the rate or rates in force ; or*
* *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 subsection (3) of section 206AB and covers the persons who satisfy the following conditions:

* *A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired ; and*
* *The aggregate of TDS and TCS in his case is Rs.50,000/- or more in each of these two previous years.*

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person. In case you fall under category of specified person, we request you to intimate the Company, basis of which the Company will deduct TDS at 20%. In absence of such declaration it is presumed that section 206AB is not applicable and TDS at 10% will be deducted. In case government provides any guidelines to comply with section 206AB, the Company will deduct tax in accordance with said guidelines. Tax deducted in accordance with said guidelines is final and the Company shall not refund/adjust said amount subsequently.

# No claim shall be against the Company for such taxes deducted.

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 or indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

The Members holding shares in demat form are advised to keep the bank details updated with their depository participants. Member holding shares in certificate form and who have not updated their bank accounts details are requested to update bank details with the Company’s Registrar and Transfer Agents.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders’ registered email ID in due course, post payment of the said Final Dividend. For shareholders who have not registered their email address, the physical copy of the TDS certificate is being sent in the permitted mode. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

We request your cooperation in this regard.

Thanking you,

For DCM Shriram Limited

(Sameet Gambhir)

Company Secretary

***Forms***

[Intimation Dcm Shriram](Intimation-%20dcm%20shriram.docx)

[Annexure1(a)](Annexure-1%28a%29.docx)

[Annexure1b](Annexure%201b.docx)

[Annexure3](Annexure%203%20-%20Form%201.docx) [Annexure4](Annexure%204.docx)

[Annexure5](Annexure%205.docx)