TDS ON DIVIDEND

Members may note that Pursuant to the provisions of the Income Tax Act, 2025 ('the Act'), dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Therefore, we are required to deduct tax at source (TDS) at the time of making payment of the said Interim Dividend.

The rate of TDS would vary depending on the residential status of each shareholders(s), and the supporting documents submitted by them and accepted by the Company in this regard. Accordingly, the Interim Dividend will be paid after deducting tax at source (TDS) in the following manner.

A. For Resident Shareholders

Tax shall be deducted at source under Section 393 of the Act, as under:

1.	Shareholders having valid Permanent Account Number (PAN)	10% or as notified by the Government of India
2.	Shareholders not having PAN / invalid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to resident individual shareholders, if the total dividend to be received by them including this interim dividend payment during financial year 2025-26 does not exceed Rs. 10,000/-, and also in cases where shareholders provide Form 121.

Resident shareholders may also submit any other document as prescribed under the Act to claim a lower/Nil withholding of tax. PAN is mandatory for shareholders providing Form 121 or any other document as mentioned above.

B. For Non-resident Shareholders

Tax is required to be withheld in accordance at the rates prescribed under the Act or tax treaty, read with multilateral instruments, if applicable.

Kindly note that no claim shall lie against the Company for the tax deducted on dividend.

SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY

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

In case you require any other information/clarification with regard to the above, kindly write to us at secretarial@pai.murugappa.com or to our RTA at einward.ris@kfintech.com .