

MINDA INDUSTRIES LIMITED
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Folio / DP ID & Client ID:

8th February, 2021

Dear Shareholder,

Subject: Deduction of Tax at Source on Dividend

We are pleased to inform you that the Board of Directors at their meeting held on Thursday, February 04, 2021 have considered and recommended payment of Interim dividend of Rs. 0.35 per equity share i.e. at the rate of 17.50% of face value of Re.2/- (Rupee two) each for the Financial Year ending 31st March, 2021

The interim dividend of Rs. 0.35 (thirty five paisa) per equity share will be paid to the members whose names appear:

- ✓ As Beneficial Owners of the shares, as per list to be furnished by the depositories (NSDL/CDSL) in respect of the shares held in demat form on the closing hours of the business on Tuesday, the 16th February 2021;
- ✓ As Members on the Register of Members of the Company as on Tuesday, the 16th February 2021.

As you may be aware, as per the Income-tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the net Dividend will be paid after deducting TDS as explained herein.

For resident Shareholders:

Any resident individual shareholder in receipt of dividend exceeding Rs. 5,000 in a financial year, entire dividend will be subject to TDS @ 7.5% (effective from 14.05.2020 upto 31.03.2021). The rate of 7.5% is applicable provided the shareholder has updated his/her Permanent Account Number (PAN) with the depository/ Registrar and Transfer Agent (RTA). Otherwise the TDS rate will be 20%.

The entire dividend will be subject to TDS for non-individual resident shareholders without any threshold limit. The tax deduction rate will be 7.5% provided a valid PAN is updated with the company or the depository/ RTA. Otherwise the TDS rate will be 20%.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (Annexure-I) (applicable to any person other than a Company or a Firm) / Form 15H (Annexure-II) (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met.

For Non-Resident Shareholders:

Tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors (“FIIs”) and Foreign Portfolio Investors (“FPIs”) in view of specific provision under section 196D of the Income tax Act 1961.

For all non-resident shareholders, the rate of withholding tax is 20% (plus applicable surcharge and cess) as per Indian Income- tax Act, 1961. However, where a non-resident shareholder is eligible to claim the tax treaty benefit read with MLI Provision, and the tax rate provided in the respective tax treaty is beneficial to the shareholder, then the rate as per the tax treaty would be applied. In order to avail tax treaty benefits, non-resident shareholders would be required to submit ALL the below documents:

- ✓ Tax Residency Certificate for FY 2020-21, the year in which the dividend is received (to be obtained from the Revenue / Tax authorities of the country of which the shareholder is resident)
- ✓ Form 10F as per the format specified under Income Tax Act, 1961 (Annexure-III)
- ✓ Self-declaration of beneficial ownership and not having a PE in India
- ✓ Name, E-mail ID, Contact Number
- ✓ Self-Declaration in the prescribed format. (Annexure-IV)

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on the dividend amount. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non- resident shareholder. If the documents are not provided or are insufficient to apply the beneficial DTAA rates, then tax will be deducted at 20% plus applicable surcharge and cess.

Rates of surcharge for non-resident individuals HUF, AOP, BOI, FIIs, FPIs

Dividend Amount	Rate of Surcharge*
Above ₹ 50 Lacs but not exceeding ₹ 1 Crore	10%
Above ₹ 1 Crore	15%

Rates of surcharge for non-resident companies:

Dividend Amount	Rate of Surcharge*
Above ₹ 1 Crore but not exceeding ₹ 10 Crores	2%
Above ₹ 10 Crores	5%

* Cess of 4% will be applicable in addition to above tax and surcharge.

For Other Shareholders:

TDS is not applicable on the dividend paid to the insurance companies in case it provides a self-declaration(Annexure-V) that the shares are owned by it and it has full beneficial interest along with a self-attested PAN.

TDS is not applicable on the dividend paid to a Mutual Fund specified under clause (23D) of section 10 of Income Tax Act, 1961. Such Mutual Fund should provide a self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961, self-attested copy of PAN card, registration certificate and a self-declaration(Annexure-V)

Any other entity entitled to exemption from TDS: Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) and a self-declaration(Annexure-V) in support of the entity being entitled to TDS exemption needs to be submitted.

Alternative Investment Fund (AIF) established in India: A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) and a self-declaration(Annexure-V) should be provided.

Summary: Dividend will be paid after deducting tax at source as under:

- ✓ 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
- ✓ 7.5% for resident shareholders in case copy of PAN card is provided/available
- ✓ 20% for resident shareholders if copy of PAN card is not provided / not available
- ✓ Tax will be assessed on the basis of documents submitted by the non-resident shareholders
- ✓ 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted
- ✓ Lower/ NIL TDS on submission of self-attested copy of the certificates as referred above/ certificate issued under section 197 of the Act.
- ✓ 20% plus applicable surcharge and cess for FIIs and FPIs under section 196D of the Act

Enclosure:

- ✓ Blank Form 15G - [Annexure-I](#)
- ✓ Blank Form 15H - [Annexure-II](#)
- ✓ Blank Form 10F - [Annexure-III](#)
- ✓ Self-Declaration format- [Annexure-IV](#)
- ✓ Blank Declaration format for getting exemption of TDS to specified entities - [Annexure-V](#)

Notes:

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or before Wednesday, 17 February, 2021”

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 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.

Shareholders are requested to ensure that their bank account details in their respective demat accounts/ folios are updated, to enable the Company to make timely credit of dividend in their bank accounts.

Your co-operation in this regard is solicited.

Thanking you,

Yours faithfully,

For Minda Industries Ltd.

Tarun Kumar Srivastava

Company Secretary & Compliance Officer