

Intimation on Tax Deduction on Dividend

Dear Shareholder,

In terms of the provisions of the Income Tax Act, 2025 ("the Act"), dividends paid or distributed by a company are 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 2025-26, if approved at the (37th) Annual General Meeting (AGM) of the Company scheduled to be held on 18th August, 2026.

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 as under in Table 2 & 3, along with Table 1, showing the Sections/ Rules/ Forms of Income Tax Act, 1961 corresponding to Sections/ Rules/ Forms of the new Income Tax Act, 2025:

Table 1: Mapping of Sections/ Rules/ Forms: Income-tax Act, 1961 vis-à-vis Income-tax Act, 2025

Sections/ Rules/ Forms of Income Tax Act, 1961	Sections/ Rules/ Forms of Income Tax Act, 2025	Brief Description
Section 206AA	Section 397(2)	Higher TDS rate applicable where valid PAN is not furnished
Section 197	Section 395(1)	Certificate for deduction of tax at lower or nil rate (Residents)
Section 195(3)	Section 395(1)	Certificate for deduction of tax at lower or nil rate (Non-Residents)
Section 194	Section 393(1) [Table: Sl. No. 7]	TDS on dividend income
Second proviso to Section 194	Section 393(4) [Table: Sl. No. 10]	No TDS on dividend in specified cases
Section 196	Section 393(5)	TDS not applicable on payments made to specified entities/ government bodies
Section 197A(1)/(1C)	Section 393(6)	No TDS on payments made to resident individual upon submission of prescribed declaration
Section 197A(1E)	Section 393(9)	No TDS on payments made to New Pension System Trust referred to in Sch VII
Section 197A(1F)	Section 400(1)	No TDS on payments made to specified IFSC units upon submission of prescribed declaration
Rule 37BA	Rule 203	Declaration for giving TDS credit to Beneficial Owners
Rule 37BC	Rule 217	Relaxation from higher TDS for certain non-residents not having PAN
Form 15G and 15H	Form 121	Declaration for non-deduction of tax where income is below taxable limits
Form 10F	Form 41	Information furnished by non-residents for claiming Treaty Benefits
Form 26AS	Form 168	Annual information statement reflecting taxes deducted, collected and paid

Table 2: Resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any resident Shareholder	10%	Update the PAN if not already done: <ul style="list-style-type: none"> with depositories (in case of shares held in demat mode) with the Company's Registrar and Transfer Agents i.e KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. (in case of shares held in physical mode).
	20%	Shareholders are required to link their PAN with Aadhaar. In case of failure to do so, PAN will be deemed as Invalid PAN / Inoperative PAN and TDS shall be deducted at higher rate u/s 397(2) of the Act
	NIL	No deduction of taxes in the following cases: - <ul style="list-style-type: none"> If dividend income to a resident Individual Shareholder during FY 2026 - 27 does not exceed INR 10,000/- Eligible Shareholder provides Form 121 (Annexure 1) along with self-attested copy of the PAN.
Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act	Rate provided in the certificate	Lower / NIL withholding tax certificate obtained from Income tax authorities.
Benefits under Income Tax Rule 203	Rates based on applicability of the Act to the Beneficial Owner ('BO')	If dividend income on which TDS is required to be deducted is taxable in the hands of a person (BO) other than the Registered Shareholder as on the Record Date, declaration as enclosed in Annexure 5 , is required to be submitted by the Registered Shareholder for giving TDS credit to BO.
		If the Registered Shareholder e.g. clearing member/ intermediaries/ stock brokers are not the Beneficial owner of the shares and the above mentioned declaration is provided regarding the BO, the TDS will be deducted at the rates applicable to the BO.
Insurance Companies: Public & Other Insurance Companies	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN
Corporation established by or under Central Act, whose income is exempt from income tax	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN.
Mutual Funds	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN
Alternative Investment Fund (AIF) Established / Incorporated in India-	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN
Recognized Provident Fund/ Approved Superannuation Fund/ Approved Gratuity Fund	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN
National Pension Scheme	NIL	Declaration as enclosed in Annexure 3 along with documentary evidence and self-attested copy of PAN
IFSC Units of a Finance Company, Finance unit and Broker Dealer opting to claim deduction u/s 147(1)/147(3)	NIL	Copy of PAN and self-declaration in Form 1 (Annexure 2) in accordance with the notification no. 28/ 2024 dated 07 March 2024 issued by CBDT under Income Tax Act, 1961

Please Note that:

- 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 397(2) of the Act.
- 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.

Table 3: Non-Resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
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 <ul style="list-style-type: none"> 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 41 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) <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts.</p> <p>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.</p>
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None
Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act	Rate provided in the Order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.

Kindly note that the aforesaid documents, duly executed, as explained in the Tables 2 and 3 above, as applicable, are required to be sent through email at shares@dcmsshriram.com/ einward.ris@kfintech.com and upload the documents on the website of our Registrar and Share Transfer Agent i.e. KFin Technologies Limited at <https://ris.kfintech.com/clientservices/investors/taxformsupload.aspx> on or before **31st July, 2026** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

It may be further noted that in case the tax on said Final Dividend 2025-26 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.

No claim shall be made 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 Shareholders holding shares in demat form are advised to keep the bank details updated with their depository participants. Shareholders 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 168, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.

We request your cooperation in this regard.

Thanking you,

For DCM Shriram Limited

(Deepak Gupta)
Company Secretary

Enclosed

Annexure 1
Annexure 2
Annexure 3
Annexure 4
Annexure 5