

As per the Income Tax Act, 1961 (“Act”), as amended by the Finance Act, 2020, dividend distribution tax has been abolished with effect from April 1, 2020. Accordingly, dividend income is taxable in the hands of the shareholders. The Company shall therefore deduct tax at source at the time of making the payment of final dividend.

In the ensuing paragraphs, we have provided the applicable TDS rate for **Insurance Companies** [for example - Life Insurance Corporation of India (“LIC”), General Insurance Corporation of India, etc] holding shares in the Company and the relevant documents as required by the Company to determine the TDS rate applicable to **Insurance Companies**.

#### **A. Withholding tax implications**

In general, taxes are required to be withheld at the rate of 10 percent on the dividend payable to resident shareholder, under the provisions of section 194 of the Act where PAN is provided. However, as per second proviso to section 194 of the Act, taxes are **not required** to be deducted from dividend payable to an Insurance Company where such Insurance Company beneficially holds the shares.

#### **B. Documents required**

For Mphasis to not withhold taxes on dividends payable to you as an Insurance company, we request you to provide the following documents for verification:

- Certificate of Registration from IRDA valid for FY 2020-21; and
- Declaration that you qualify as an insurance company and that you are the beneficial recipient of the dividends as per **Annexure 1**

Additionally,

- a) We request you to kindly verify the correctness of the PAN and update the same with your Depository Participant at the earliest.
- b) If the above documents are found in accordance with the provisions of the Act, the same shall be considered while deducting taxes by Company.
- c) In case you are holding shares under multiple accounts under different status / category and single PAN, you may note that, higher of the tax as applicable will be considered on your entire holding in different accounts.
- d) The documents as mentioned above and as mentioned in the separate communication are required to be uploaded on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 17 September 2021 5:00 PM (IST) in order to enable the Company to determine and deduct appropriate TDS. Thereafter, no communication/documents on the tax determination/ deduction shall be considered by the Company and the TDS as appropriate basis information / documents available with the Company would be considered.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to email a soft copy of the TDS certificate at your registered email ID in due course, post payment of the said dividend. You will also be able to see the credit of TDS in Form 26AS, which can be downloaded from your e-filing account at <https://www.incometaxindiaefiling.gov.in/>.

*Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.*

**Annexure 1****Self - declaration for Insurance companies for the period April 1, 2020 to March 31, 2021**  
**( to be executed on your letter-head)**

Date:

To,  
Mphasis Limited  
Bagmane World Technology Centre  
K.R. Puram, WTC 3, Block B, 1st Floor  
Marathahalli Outer Ring Road.  
Doddanakhundi  
Bangalore - 560048

**Sub: Self - declaration for the period April 1, 2020 to March 31, 2021**

Dear Sir,

We, \_\_\_\_\_ (name of shareholder) do hereby solemnly declare as follows:

- a) We qualify as Insurer as defined under section 2(7A) of the Insurance Act, 1938;
- b) We hold a valid certificate of registration with Insurance Regulatory and Development Authority, bearing registration number \_\_\_\_\_ and carrying on the business of \_\_\_\_\_ (nature of business);
- c) We hold \_\_\_\_\_ shares in Mphasis and we are the beneficial owner of the dividend income arising from such shareholding in Mphasis Limited; and
- d) We are eligible for non-withholding of taxes as specified in second proviso to Section 194 of the Income-Tax Act, 1961 on the dividend income to be received.

We undertake to intimate Mphasis Limited immediately in case of any alteration in the aforesaid declaration.

Thanking you,

Yours Sincerely,

For \_\_\_\_\_ (name of Shareholder)

&lt;&lt;Signature&gt;&gt;

\_\_\_\_\_  
\_\_\_\_\_ (name of authorized person)  
\_\_\_\_\_ (designation)

*Note: Please attach the relevant authorisation like Board resolution, power of attorney, authorisation letter etc. in favour of the signatory to this declaration for execution of this document.*