

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 payment of final dividend.

In the ensuing paragraphs, we have provided the applicable TDS rate for **Mutual Fund** holding shares in the Company and the relevant documents as required by the Company to determine the TDS rate applicable to **Mutual Funds**.

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

In general, taxes are required to be withheld at the rate of 10 percent on the dividend payable to resident shareholders, under the provisions of section 194 of the Act where PAN is provided.

However, as per section 196 of the Act, **taxes are not required** to be deducted from any sum in the nature of dividends is payable to a **Mutual Fund specified under clause (23D) of section 10 of the Act** in respect of any securities or shares owned by it or in which it has full beneficial interest.

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

If you wish to avail a nil TDS rate on the dividend pay-out, we request you to provide the following documents for verification:

- Certificate of Registration issued by the Securities and Exchange Board of India (“SEBI”) valid for FY 2020-21; or Registration by public sector bank / Public Financial Institutions / authorised by Reserve Bank of India (“RBI”) being notified by Central Government;
- Self - declaration that you are a notified Mutual Fund for section 10(23D) under the Act under notification NO .....and that you are eligible for non-withholding of taxes as per section 196 of the Act 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 (if you hold shares in dematerialized mode) or the Registrar and Share Transfer Agent (if you hold shares in physical mode), 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) If any Mutual funds are not exempt for the purpose of withholding taxes, given the conditions and documentation above, please furnish a declaration from such Mutual Funds confirming the following:

· *Aggregate amount of TDS and TCS is not more than INR 50,000 in each of FY 2018-19 and FY 2019-20;* or

· *Aggregate amount of TDS and TCS is INR 50,000 or more in each of FY 2018-19 and FY 2019-20 and that the shareholder has filed the income-tax return for at least one out of the two aforementioned years i.e. FY 2018-19 and FY 2019-20.*

d) 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.

e) The documents as mentioned above and as mentioned in the separate communication are required to be uploaded on <https://www.integrateindia.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.

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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.*

**Self - declaration for Mutual Funds 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

Dear Sir,

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

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

a) We are a Mutual Fund, registered with Securities and Exchange Board of India and bearing registration number \_\_\_\_\_ (registration number)

Or

We are a Mutual Fund set up by public sector bank / Public Financial Institutions/ authorised by Reserve Bank of India, being notified by Central Government;

b) We are a notified Mutual Fund for section 10(23D) of the Income-tax Act, 1961 ("Act"), notified via notification number \_\_\_\_\_ (notification number);

c) We hold \_\_\_\_\_ shares in Mphasis Limited and we are the beneficial owner of the dividend income arising from such shareholding; and

d) We are eligible for non-withholding of taxes under the section 196 of the Act 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)

<<signature>>

\_\_\_\_\_ (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.*

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