



## 3M INDIA LIMITED

CIN: L31300KA1987PLC013543

**Registered Office:** Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru 560100,

**Corporate Office:** WeWork Prestige Central, 3rd floor, 36 Infantry Road, Tasker Town, Bengaluru 560001

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November 10, 2022

Ref: Folio / DP Id & Client Id No: -

Name of the Shareholder:

### Sub: Communication on Tax Deduction at Source (TDS) on Interim Dividend-FY 2022-23

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their meeting held on November 9, 2022 have recommended payment of interim Dividend of ₹ 850 per share for the Financial Year (FY) 2022-23. The said Dividend will be paid to the shareholders holding shares as on November 22, 2022 (record/cut-off date).

Pursuant to the amendments introduced in the Income-tax Act, 1961 ('the Act') vide Finance Act, 2020, w.e.f. 1<sup>st</sup> April, 2020, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. However, no tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during the FY 2022-23, does not exceed ₹ 5,000/- The withholding tax rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations/documents to the Company.

#### A. RESIDENT SHAREHOLDERS:

**A.1 Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding ₹ 5,000 during the FY 2022-23)**

SN.	Particulars	Withholding tax rate	Declaration / documents required
1	Valid PAN updated with Depository Participant (DP) in case shares are held in dematerialized form; or Registrar and Transfer Agent (RTA) in case shares are held in physical form and no exemption sought by Shareholder	10%	If you wish to claim nil/lower tax, please refer instruction below at A.2
2	No/Invalid PAN/Specified person under section 206AB with DP in case shares are held in dematerialized form; or RTA in	20%	If you wish to claim nil/lower tax, please refer instruction below at A.2

	case shares are held in physical form and no exemption sought by Shareholder		
3	Availability of lower/nil tax deduction certificate issued by the Income Tax (IT) Department u/s 197 of the Act	Rate specified in lower tax withholding certificate obtained from IT Department	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Copy of lower tax withholding certificate obtained from IT Department</li> </ul>

**A.2 Nil or lower Tax Deductible at Source on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in table below with the Company/ RTA**

SN	Particulars	Declaration/documents required
1	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions. Please note that all fields are mandatory. Incomplete or inaccurate form will not be considered.</li> </ul>
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, InVIT) etc.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration in <a href="#">Annexure-1</a>, along with adequate documentary evidence (e.g., registration certificate), to the effect that the no tax withholding is required as per provisions of section 194 of the Act.</li> </ul>
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration in <a href="#">Annexure-1</a>, along with adequate documentary evidence, substantiating applicability of 196 of the Act.</li> </ul>
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration in <a href="#">Annexure-1</a>, that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.</li> </ul>

5	Any other entity exempt from withholding tax under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration in <a href="#">Annexure-1</a>, along with adequate documentary evidence, substantiating the nature of the entity.</li> <li>• Copy of the lower tax withholding certificate obtained from IT Department (except those covered by Circular 18/2017)</li> </ul>
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## B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders.

SN.	Particulars	Withholding tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)/ non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration in <a href="#">Annexure-2</a>,</li> <li>• Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the FY 2022 and FY 2023 (covering the period from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023).</li> <li>• Self-Declaration in Form 10F (electronically submitted form on the income tax portal). It would be pertinent to note that manual form 10F will not be considered as valid for claim of tax treaty benefits.</li> <li>• Self-declaration by the non-resident shareholder of having no permanent establishment/Fixed base or place of business/Business Connection /Place of Effective Management/beneficial ownership, in India in accordance with the applicable DTAA (pertaining to FY 2022-23) (Refer Annexure-4). (Refer <a href="#">Annexure-4</a>).</li> </ul> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the</p>

			completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).Tax once deducted will not be refunded. Shareholders are advised to ensure completeness of documents in all respect. Considering short timelines, Company will not intimate shareholders about deficit or give additional time for submitting revised documents.).
2	Alternative Investment Fund-Category III located in International Financial Services Centre	10% (plus applicable surcharge & cess)#	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration in <a href="#">Annexure-3</a> along with adequate documentary evidence substantiating the nature of the entity.</li> </ul>
3	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of Act	30%	N.A
4	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.</li> <li>• Self-Declaration in <a href="#">Annexure-5</a> &amp; <a href="#">Annexure-6</a> &amp; <a href="#">Annexure-7</a> that the conditions specified in section 10(23FE) have been complied with.</li> </ul>
5	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	Nil	Self-Declaration in <a href="#">Annexure-7</a> substantiating the fulfillment of conditions prescribed under section 10(23FE) of the Act.
6	Availability of Lower/NIL tax deduction certificate issued by IT Department u/s 195 or 197 of the Act	Rate specified in Lower tax withholding certificate obtained from IT Department	Copy of the lower tax withholding certificate obtained from IT Department

#In case PAN is not updated with the Company's RTA or depository; or PAN is not available; and information sought in the declaration are not provided, higher rate of withholding tax as per section 206AA shall be applied.

The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. shall be uploaded on the link <https://ris.kfintech.com/form15/> on or before November 22, 2022 to enable the Company to determine the appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. ***Any communication in relation to tax rate determination/deduction received post November 22, 2022 shall not be considered.***

#### **Notes:**

- **Update your KYC data to receive all communications and dividend information-** The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our RTA whose address is given below. Shareholders holding shares in dematerialized mode are requested to update the same with their respective DP to ensure ease of communication and seamless remittances.
- The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
- Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- Additionally, in case a resident shareholder or a non-resident shareholder having a PE in India qualifies as a "specified person" as per section 206AB of the Act, ***higher rate of TDS as per section 206AB of the Act shall be applied.***
- **In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.**
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also provide the Company with all information / documents and co-operation in any tax proceedings.
- This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. The Shareholders should consult their tax advisors for requisite action to be taken by them.
- In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

- All communication/queries in respect of above should be addressed to Mr. Rajeev Kumar, our RTA, KFin Technologies Ltd at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) at its address, , Corporate Registry (Unit: **3M India Limited**), KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032.
- A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the shareholder in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income.

With best regards,  
**For 3M India Limited**

Sd/-  
**Pratap Rudra Bhuvanagiri**  
**Company Secretary and Compliance Officer**

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