

19th May 2022

To,
BSE Limited, (Security Code: 532720)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd., (Symbol: M&MFIN)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sir/ Madam,

Sub: Communication to shareholders (Request to submit documents): Dividend for FY 2022 - Intimation on Tax Deduction at source (TDS)/withholding Tax on Dividend

With regards to the captioned subject, please find enclosed herewith an email communication which is being sent to the shareholders of the Company, inter-alia, indicating the process and documentation required from them for claiming tax exemption/lower tax on the dividend payable to the shareholders for the financial year ended 31st March 2022.

This intimation is also being uploaded on the Company's website at <https://www.mahindrafinance.com>.

Kindly take the same on record.

Thanking you,

For **Mahindra & Mahindra Financial Services Limited**



Brijbala Batwal
Company Secretary & Compliance Officer

Enclosure: as above

Mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

Corporate Office: Mahindra Towers, 'A' Wing, 4th Floor, Worli, Mumbai – 400 018

Website: www.mahindrafinance.com ; **E-mail:** investorhelpline_mmfsl@mahindra.com

Phone: +91 22 66526000/+91 22 2289 5500; **Fax:** +91 22 24984170/+91 22 2287 5485 **CIN:** L65921MH1991PLC059642

Date: 19th May 2022

Dear Shareholder(s),

Sub.: Deduction of tax at source on dividend for the financial year ended 31st March 2022

We hope that you and your family are safe and healthy.

We are pleased to inform you that the Board of Directors of the Company at their meeting held on 2nd May 2022, has recommended a Dividend of ₹3.60 per equity share (i.e. 180%) of face value of ₹ 2/- each for the financial year ended 31st March 2022 which will be paid to those shareholders whose name appears as beneficial owners/ member in the list of beneficial owners to be furnished by National Securities Depository Limited/ Central Depository Services (India) Limited in case of shares held in electronic form, or in the register of members in case of shares held in physical form, as at the close of business hours on 21st July 2022 (Book Closure), subject to approval of the Members of the Company at the ensuing 32nd Annual General Meeting to be held on 28th July 2022.

As you may be aware, in terms of the provisions of the Income-tax Act, 1961 ("Act"), dividend paid or distributed by a Company on or after 1st April 2020, shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of payment of dividend to Resident shareholders at 10% with valid Permanent Account Number ("PAN") or at 20% without/invalid PAN and for Non-Resident shareholders at the rates prescribed under the Act or Tax Treaty, read with Multilateral Instruments, if applicable. No TDS is applicable if the dividend payable to resident individual shareholders (having valid PAN) is up to ₹ 5000/- p.a. within a Financial Year.

Further, as provided under section 206AB of the Act, effective 1st July 2021, tax would be deducted at the higher of the following rates in case of payment made to 'Specified person' defined under the provisions of the aforesaid section:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Accordingly, the Dividend will be paid after 28th July 2022, after deducting TDS as explained herein.

The Company would be considering the category of shareholders as per Beneficiary position (Benpos) received from Company's RTA through Depositories for applying the tax deduction rates. You are requested to ensure that the correct 'category' of shareholding is updated, as applicable, in your Demat account(s) maintained with the Depository Participant(s) for equity shares held in demat mode; or in case of equity shares held in physical form, with the Company/ Registrar and Share Transfer Agent ('RTA'), on or before **10th July 2022**.

As it is imperative for the Company to receive the relevant information and declarations from shareholders to determine the details of the TDS rates applicable to different categories of shareholders, the documentation required from you is provided in **Annexure A**. **You can access/download the forms by clicking the link below. Alternatively, the forms are also available on the website of the Company at <https://www.mahindrafinance.com/investor-zone/investor-information>. Please note that all the fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if they do not fulfil the requirement of law.**

Forms for Individuals:

Resident Shareholders : [Form 15H](#) / [Form 15G](#)
Non-Resident Shareholders : [Form 10F](#) / [Self Declaration-1](#)

Forms for Non-individuals:

Resident Shareholders : [Self Declaration-2](#)
Non-Resident Shareholders : [Form 10F](#) / [Self Declaration-1](#)

You are requested to upload the correct and completed Forms as mentioned above together with documents as detailed in **Annexure A**, by logging on to <https://ris.kfintech.com/form15/forms.aspx?q=0> or email to einward.ris@kfintech.com on or before **10th July 2022**. **No documents will be accepted after 10th July 2022.**

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Transfer to Investor Education and Protection Fund (IEPF):

Pursuant to Section 124 of the Act read with the IEPF Rules all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Company urges all the members to encash/ claim their dividend with respect to financial year 2014-15 and onwards by logging their claim with KFin Technologies Limited (KFin), Registrar and Transfer Agent of the Company before the respective due date(s).

Important Notice to Physical Shareholders

The Securities and Exchange Board of India (SEBI) has vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November 2021 read with clarificatory Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/ P/CIR/2021/687 dated 14th December 2021, introduced Common and Simplified Norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination. In view of the same, physical shareholders are requested to submit their PAN, full KYC details (Postal address with PIN, mobile number, email address, bank details, signature) and Nomination details in Form ISR-1 at the earliest. Non-availability of any of the above documents/details with the Company/RTA on or after 1st April 2023 will result in freezing of the physical shareholders' Folios pursuant to the said SEBI Circular.

Physical Shareholders are requested to dematerialise their shareholding at the earliest, as pursuant to the above SEBI Circular, any investor service requests including transfer/ transmissions requests shall be processed in dematerialised mode only.

Update of Bank account details:

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in physical form, you will have to submit a signed copy of the request letter, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card self-attested to inward.ris@kfintech.com. This will facilitate receipt of dividend directly into your bank account.

We seek your co-operation in the matter and request you to submit the documents with regard to the TDS deduction within the timelines as mentioned above.

Thanking you,

For **Mahindra & Mahindra Financial Services Limited**

sd/-

Brijbala Batwal
Company Secretary

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

Corporate Office: Mahindra Towers, 'A' Wing, 4th Floor, Worli, Mumbai – 400 018

Website: www.mahindrafinance.com ; **E-mail:** investorhelpline_mmfs@mahindra.com

Phone: +91 22 66526000/+91 22 2289 5500; **Fax:** +91 22 24984170/+91 22 2287 5485

CIN: L65921MH1991PLC059642

Annexure A

PART A: FOR ALL SHAREHOLDERS – UPDATION OF DETAILS [AS APPLICABLE]

Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their Demat account(s) maintained with the Depository Participant(s) for equity shares held in demat mode; or in case of equity shares held in physical form, with the Company/ Registrar and Share Transfer Agent ('RTA'), on or before **10th July 2022**.

- a. Valid Permanent Account Number ('PAN')
- b. Residential status as per the Income-tax Act, 1961 ('Act') i.e., Resident or Non-resident for FY 2022-23
- c. Category of Shareholders viz. Mutual Fund, Insurance Company, Alternative Investment Fund ('AIF') Category I and II, AIF Category III, Government (Central/ State Government), Foreign Portfolio Investor ('FPI')/ Foreign Institutional Investor ('FII'): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family ('HUF'), Firm, Limited Liability Partnership ('LLP'), Association of Persons ('AOP'), Body of Individuals ('BOI') or Artificial Juridical Person, Trust, Domestic Company, Foreign Company.
- d. Email address
- e. Residential address
- f. Mobile no.
- g. Bank Details

PART B: TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDERS

I In case of a Resident Shareholder:

Category of shareholder	TDS rate	Exemption Applicability/ Documentation Requirement
Any resident shareholder	10 per cent	Resident shareholder who is not a "specified person" as per section 206AB having a valid PAN on records of the Company.

Category of shareholder	TDS rate	Exemption Applicability/ Documentation Requirement
Resident shareholder without PAN/ Invalid PAN	20 per cent	Resident shareholder without PAN / invalid PAN on records of the Company or is a “specified person” as per section 206AB of the Act.
Any resident shareholder who is specified person as per Section 206AB	Higher of the following rates: - at twice the rate specified in the relevant provision of the Act; or - at twice the rate or rates in force; or - at the rate of 5%	Applicable on resident shareholder or non-resident shareholder who has PE in India and is a specified person as per Section 206AB.
Resident shareholder having lower / nil withholding Order under section 197 of the Act	Lower/Nil rate as specified in certificate issued under section 197 of the Act	Resident shareholder who has obtained a certificate from the income-tax authorities under section 197 of the Act for TDS at a lower / Nil rate. Tax will be deducted at the rate specified in the said certificate. The certificate should be valid for the FY 2022-23. Documents required are as under: - Copy of PAN card - Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities
Individual shareholders	NIL	<ul style="list-style-type: none"> - If the total dividend to be received from the Company during FY 2022-23 does not exceed ₹ 5,000/-; or - If duly verified Form 15G or 15H (as may be applicable) is furnished along with self-attested copy of PAN. (This form can be submitted only in case the shareholder’s tax on estimated total income for FY 2022-23 is Nil). <p>Form 15G/15H (can also be downloaded from link) https://www.incometaxindia.gov.in/pages/downloads/most-used-forms.aspx</p>
Mutual Funds specified under clause (23D) of section 10 of the Act	NIL	Company would be taking the category of shareholder as per Benpos received from Company’s RTA through Depositories for applying the tax deduction rates. You are requested to

Category of shareholder	TDS rate	Exemption Applicability/ Documentation Requirement
		<p>update the same with your respective depository participant.</p> <p>Following documents may be provided on voluntary basis :</p> <ul style="list-style-type: none"> - Self-declaration that they are specified Mutual Funds under section 10(23D) of the Act. - Self-attested copy of PAN card; and - Registration certificate issued by SEBI
Insurance Companies	NIL	<p>Company would be taking the category of shareholder as per Benpos received from Company's RTA through Depositories for applying the tax deduction rates. You are requested to update the same with your respective depository participant.</p> <p>Following documents may be provided on voluntary basis:</p> <ul style="list-style-type: none"> - Self-declaration that it has full beneficial interest with respect to shares owned. - Self-attested copy of PAN card; and - Copy of registration certificate issued by the IRDAI.
Alternative Investment Fund ('AIF')	NIL	<p>Company would be taking the category of shareholder as per Benpos received from Company's RTA through Depositories for applying the tax deduction rates. You are requested to update the same with your respective depository participant.</p> <p>Following documents may be provided on voluntary basis :</p> <p>Self-declaration that its income is exempt under section 10(23FBA) of the Act and established as Category I or Category II AIF under SEBI regulations.</p> <ul style="list-style-type: none"> - Self-attested copy of the PAN card; and - Registration certificate issued by SEBI

Category of shareholder	TDS rate	Exemption Applicability/ Documentation Requirement
Corporation established by or under a Central Act, which is, under any law for the time being in force, exempt from income-tax on its income, Government (Central/ State)/ RBI	NIL	<ul style="list-style-type: none"> - Declaration that it is a corporation established by or under a Central Act whereby income- tax is exempt on the income and accordingly, covered under section 196 of the Act. - Self-attested copy of PAN card; and - Registration certificate and relevant extract of the section whereby the income is exempt from tax - No TDS is required to be deducted as per Section 196(i) of the Act
Any other entity entitled to exemption from TDS	NIL	Valid self-attested documentary evidence (e.g., copy of the relevant registration, notification, order, etc.) in support of the entity being entitled to TDS exemption along with self-attested copy of PAN card.

II In case of a Non-resident Shareholder:

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement
FPIs AND FIIs	@20% (plus applicable surcharge and cess) or at applicable concessional rate, if any, as on the date of payment of dividend	<ul style="list-style-type: none"> - Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident relevant for FY 2022-23 - Self-declaration in Form 10F - Self-declaration along with adequate documentary evidence substantiating the nature of the entity. - Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership, and eligibility to avail tax treaty benefit [on shareholder's letterhead] - Registration certificate issued by SEBI - Self-declaration certifying that the shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2022-23. - The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement
		<p>withholding on dividend declared by the Company; The transaction/arrangement/ investments from which the dividend is derived by the shareholder is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes.</p> <p>The tax benefit, if any, derived from such transaction / arrangement / investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty);</p> <ul style="list-style-type: none"> - The shareholder has no reason to believe that its claim for the benefits of the Tax Treaty is impaired in any manner. - The shareholder is the beneficial owner of its shareholding in the Company and dividend receivable from the Company and the shareholder does not have a taxable presence or a permanent establishment in India during the FY 2022-23.
Other non-resident shareholders	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is Lower	<ul style="list-style-type: none"> - Self-declaration along with adequate documentary evidence substantiating the nature of the entity. - Non-resident shareholders may opt for tax rate under the Double Taxation Avoidance Agreement ('Tax Treaty'). The Tax Treaty rate may be applied for tax deduction at source on submission of the following documents to the Company: - Self-attested copy of the PAN allotted by the Indian Income-tax authorities - Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident - Self-declaration in Form 10F - Self-declaration certifying that the shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2022-23. - The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company; The transaction / arrangement / investments from which the dividend is derived by the shareholder is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement
		<p>purposes. The tax benefit, if any, derived from such transaction / arrangement /investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty).</p> <ul style="list-style-type: none"> - The shareholder has no reason to believe that its claim for the benefits of the Tax Treaty is impaired in any manner. - The shareholder is the beneficial owner of its shareholding in the Company and dividend receivable from the Company and the shareholder does not have a taxable presence or a permanent establishment in India during the FY 2022-23 - Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership, and eligibility to avail tax treaty benefit [on shareholder's letterhead] <p><i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders read together with the provisions of the law. 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).</i></p>
Any entity entitled to exemption from TDS	Nil	<ul style="list-style-type: none"> - Valid self-attested documentary evidence (e.g.,relevant copy of registration, notification, order, etc. by the Indian tax authorities) in support of the entity being entitled to exemption from TDS - Self-Declaration Substantiating the applicability of the section to the entity
Tax resident of any notified jurisdictional area	30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus applicable surcharge and cess)	<ul style="list-style-type: none"> - Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under section 94A(1) of the Act, tax will be deducted at source @ 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act.

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement
Other non-Resident shareholders having Order under section 197/195 of the Act	Provided in the Order	- Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities.

Notes:

1. In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for TDS. The credit of TDS can also be verified by the shareholder by verifying Form 26AS, after the statement of TDS is furnished by the Company and the same is updated in the Income Tax portal <https://www.incometaxindia.gov.in>.
2. All the above referred tax rates in case of non-residents will be enhanced by surcharge and cess, as applicable.
3. The aforesaid 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 provided in the above communication **or be sent over email to einward.ris@kfintech.com** on or before **10th July 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.) are 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 **10th July 2022**, shall not be considered.
4. For all self-attested documents, shareholders must mention on the document “certified true copy of the original”. For all documents being uploaded by the shareholder, the shareholder undertakes to send the original document(s) on request by the Company.
5. In case the aggregate of dividend paid during financial year 2022-23 exceeds ₹5,000/- for a resident individual shareholder, TDS will be calculated on the aggregate amount and deducted accordingly.
6. For download of documents, the non -resident shareholders are requested to use the link provided in the above communication. TDS shall be deducted at source @ 20% (plus applicable surcharge and cess) if the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts, if the completeness of all the documents submitted by the non-resident shareholder is not to the satisfaction of the Company, or not in accordance with the provisions of the Act.
7. Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository participant or with the Company/KFin. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
8. In absence of PAN/ invalid PAN, tax will be deducted at a higher rate of 20% as per section 206AA of the Act. Further, in a case where PAN is not updated with the Company’s RTA or information sought in the declaration are not provided, higher rate of withholding tax as per section 206AA shall be applied.

9. In terms of Rule 37BA of Income Tax Rules 1962, if dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the Book Closure Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
10. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
11. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, the concerned shareholder would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return. No claim shall lie against the Company for such taxes deducted.
12. 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, provide the Company with all information/ documents and co-operation in any appellate proceedings.
13. 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.
