



TATA CAPITAL LIMITED - COMMUNICATION TO THE SHAREHOLDERS REGARDING DEDUCTION OF TAX AT SOURCE ON DIVIDEND

We are pleased to inform you that the Board of Directors of Tata Capital Limited (“the Company”), at its meeting held on Thursday, April 23, 2026, has recommended a final dividend of Re. 0.57 per equity share of Rs. 10/- each, for the Financial Year ended March 31, 2026, subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting (“AGM”).

As you are aware, pursuant to implementation of Income-tax Act, 2025 (‘the Act’) and the rules framed thereunder with effect from 01 April 2026, dividend paid or distributed by a company shall be taxable at the hands of the shareholders. Accordingly, the Company is required to deduct tax at source at the time of making payment of dividend, if declared at the AGM of the Company.

This communication provides a brief overview of the applicable provisions of the Act relating to Tax Deduction at Source (‘TDS’) on dividend for Resident and Non-Resident shareholder categories.

SECTION A: TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE, FOR RELEVANT CATEGORY OF SHAREHOLDERS

I. For Resident Shareholders:

Tax is required to be deducted at source under Section 393(1) [Table: S.No.7] read with section 393(4) [Table Sr. no. 10] of the Act at 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (‘PAN’). In case, shareholder(s) do not have PAN / have not registered their valid PAN details with Depositories / Registrar and Transfer Agent (‘RTA’) of the Company, TDS at the rate of 20% shall be deducted under Section 397(2) of the Act.

a. Resident individuals:

No tax shall be deducted on the dividend payable to resident individuals if:

- Total dividend to be received by them from the Company during Tax Year (‘TY’) 2026-27 does not exceed Rs. 10,000/-.
- The shareholder provides Form 121, provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and duly signed. The Company may at its sole discretion reject the Form if it does not fulfil the requirement of law. Format of Form 121 is enclosed herewith as **Annexure 1**.
- Exemption certificate, if any, issued by the Income-tax Department.



Note:

Please note that linking of PAN and Aadhaar is mandatory. Accordingly, the shareholders are requested to link their PAN with Aadhaar on the income-tax website. In case the PAN is not linked with Aadhaar, then the PAN is liable to be treated as inoperative, and TDS would be deducted at higher rate prescribed in Section 397(2).

b. Resident non-individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in **Annexure 2**.

- **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
 - **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Schedule VII [Table: Sl. No. 20 or 21] to section 11 of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
 - **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Schedule V [Table: Sl. No. 1] to Section 11 of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
 - **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Schedule VII [Table: Sl. No. 41] to Section 11 of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
 - **Recognized provident fund / Approved superannuation fund / Approved gratuity fund:** Self-declaration that its income is eligible for exemption under Schedule VII [Table: Sl. No. 22,23 and 24] to Section 11 of the Act along with self-attested copy of PAN card.
 - **Other non-individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- c.** In case shareholders (individuals or non-individuals) provide certificate under Section 395(1) of the Act, for lower / NIL withholding of taxes, the rate specified in such certificate shall be considered, on submission of self-attested copy of the certificate.



II. For Non-Resident Shareholders:

- a. Taxes are required to be withheld in accordance with the provisions of Sections 393(2) [Table Sl. No 17] read with section 207(1) [Table Sl. No. 1] of the Act as per the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 395(1) of the Act for lower/ Nil withholding of taxes, the rate specified in such certificate shall be considered based on submission of self-attested copy of the certificate.
- b. Further, as per Section 159 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Taxation Avoidance Agreement between India and the country of tax residence of the shareholder ('Tax Treaty'), if they are more beneficial to them. To avail such Tax Treaty benefits, the non-resident shareholders will have to provide the following:
 - Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities. If PAN is not available, the non-resident shareholder shall furnish name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence (format attached herewith as **Annexure 3**).
 - Self-attested copy of Tax Residency Certificate ('TRC') (of calendar year 2026 or TY 2026-27 or later) obtained from the tax authorities of the country of which the shareholder is resident.
 - Form 41 in electronic format as required under section 159(1) and 159(2) of the Act 2025 by filling electronically on the income tax portal with their login credentials at eportal.incometax.gov.in.
 - Self-declaration by non-resident shareholder of having no Permanent Establishment/ fix base in India in accordance with the applicable Tax Treaty (of calendar year 2026 or TY 2026-27 or later) (format in **Annexure 4**).
 - In case of shareholder being tax resident of Singapore, proof of satisfying requirement of Article 24 – Limitation of Relief, should be provided.

It is recommended that shareholders should independently satisfy their eligibility to claim Tax Treaty benefit including meeting of all conditions laid down by Tax Treaty read with the provisions laid down by the Multilateral Instruments (MLI), wherever applicable.

Kindly note that the Company is not obligated to apply beneficial Tax Treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of Tax Treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.



Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, **we request you to provide these details and documents as mentioned above on or before Monday, July 27, 2026.**

PAYMENT OF DIVIDEND

The dividend on equity shares for FY 2025-26, once approved by the Shareholders of the Company at the AGM, will be paid after deducting the tax at source as under:

A. For resident shareholders:

- Nil in case the total dividend paid is up to Rs. 10,000/-.
- Nil for resident shareholders in case Form 121 (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhaar. *Please note that the duly filled up forms submitted through your registered email id will be accepted.*
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 395(1) of the Act.
- 10% for resident shareholders in case PAN is provided / available.
- 20%, for resident shareholders in case PAN is not provided / not available/ PAN-Aadhaar linking not done.

B. For non-resident shareholders:

- Beneficial Tax Treaty rate (based on Tax Treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 395(1) of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/ FPI).
- 35% plus applicable surcharge and cess in case of non-residents declaring that they have a permanent establishment in India.

C. For shareholders having multiple accounts under different status / category:

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.



SECTION B: SUBMISSION OF TAX RELATED DOCUMENTS:

The documents such as Form 121 and documents under Sections 393(5), 393(6), etc. can be uploaded on the link <https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html> to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

Shareholders can send the other documents at the following email addresses:

Resident Shareholders	Csgexemptforms2627@in.mpms.mufg.com
Non-Resident Shareholders	dividend@tatacapital.com

Documents sent to any other email address may lead to non-submission of documents and attract TDS as per the provisions of the Act.

The above mentioned documents should reach us on or before **Monday, July 27, 2026**, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post the above date. It may be further noted that in case the tax on said Dividend 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.

UPDATION OF BANK ACCOUNT DETAILS:

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details in their respective demat accounts / physical folios are updated and KYC compliant to enable the Company to make timely credit of dividend in their bank accounts.

Pursuant to SEBI Master Circular dated February 6, 2026 issued to the RTA read with other related SEBI Circulars and Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, SEBI has mandated that dividend shall be paid only through electronic mode. Such payment to the eligible shareholders holding physical shares shall be made only after they have furnished their PAN, Choice of Nomination(optional), Contact Details (Postal Address with PIN and Mobile Number) Bank Account Details and Specimen Signature for their corresponding physical folios to the Company or the RTA. For shareholders holding shares in dematerialized form, bank details shall be updated with their depository participant.



NOTES:

- a. Resident non-individual shareholders i.e., Insurance companies, Mutual Funds and Alternative Investment Fund ('AIF') established in India and Non-Resident Non-Individual shareholders i.e., Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.
 - b. In terms of Rule 203 of Income-tax Rules, 2026, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Company in the manner prescribed by the Rules on or before Monday, July 27, 2026. Any request submitted after the said date shall not be considered. (format attached herewith as **Annexure 5**).
 - c. Shareholders whose valid PAN is updated with the Company / its RTA will 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/>
 - d. This communication shall not be treated as advice from the Company or its affiliates or its RTA. The Shareholders should obtain tax advice related to their tax matters from a tax professional.
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- a) Annexure 1 - Form 121
 - b) Annexure 2 - Declaration regarding Category and Beneficial Ownership of shares
 - c) Annexure 3 - Declaration under Rule 217
 - d) Annexure 4 - No PE Declaration
 - e) Annexure 5 - Declaration under Section 390 of the Act read with Rule 203