

Tax Deducted at Source (TDS) on Dividend

We are pleased to inform you that the Board of Directors of Kotak Mahindra Bank Limited ("Bank"), at their meeting held on May 4, 2024, have recommended a dividend of Rs. 2 per Equity Share having nominal value of Rs. 5/- each for the financial year ended March 31, 2024, subject to the approval of Members at the Thirty-Ninth Annual General Meeting ("AGM") scheduled to be held on August 3, 2024.

As you are aware that pursuant to the provisions of the Income-tax Act, 1961 ("Act"), as amended by the Finance Act, 2020, dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the Shareholders. Shareholders are hereby informed that the Bank is under an obligation to deduct tax at source ("TDS") at applicable rates in accordance with the provisions of the Act.

The dividend, as recommended by the Board, and if approved at the ensuing AGM, will be paid to those Shareholders holding Equity Shares of the Bank, as on the Record Date i.e. July 19, 2024. Shareholders whose bank accounts are registered with the Depository Participant/Registrar and Transfer Agent shall receive electronic credit of dividend and in case of Shareholders whose bank accounts are not registered; dividend shall be paid through physical warrants.

Please note that since this Dividend will be declared at AGM to be held on August 3, 2024, it will be taxable in your hands in FY 2024-25. Thus, all the details and declarations furnished should pertain to FY 2024-25.

SECTION A: FOR ALL SHAREHOLDERS - UPDATION OF DETAILS, AS APPLICABLE

All Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their respective Demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar and Transfer Agent in the Register of Members.

Please note that the following details, in case you had already registered with the Bank, as available with the Bank in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Bank, for the purpose of complying with the applicable TDS provisions:

- a. Valid and operative Permanent Account Number ("PAN").
- b. Residential status as per the Act i.e. Resident or Non-Resident for FY 2024-25.
- c. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund ("AIF") Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor ("FPI")/Foreign Institutional Investor ("FI"): 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, etc.
- d. Email Address.
- e. Residential Address

Further to bring to your attention:

- Section 206AB of the Act requires, in case of 'specified person', TDS will be higher of the following:
 - Twice the rate specified in the relevant provision of the Income-tax Act; or
 - Twice the rate or rates in force; or
 - the rate of five per cent.

The 'specified person' means a person who has:

- not filed return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 of the IT Act has expired; and
- subjected to tax deduction and collection at source in aggregate amounting to Rs. 50,000 or more in such immediate previous year.

The non-resident, who does not have the permanent establishment in India, & a person who is statutorily not required to furnish return of income are excluded from the scope of the 'specified person'.
(Please download the declaration format given as Annexure-5)

For the purpose of TDS, the Bank will be relying on the information from the Government enabled online facility to verify the status (i.e., Specified Person or not) and deduct TDS accordingly.

SECTION B: TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDERS

Shareholders are requested to take note of the following TDS rates and additional information required by the Bank for their respective categories.

A. RESIDENT SHAREHOLDERS

A.1 Tax deductible at source for Resident Shareholders (other than resident individual Shareholders receiving Dividend not exceeding Rs. 5,000 during the FY 2024-25)

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
1	Valid PAN updated with the Depository Participant 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%	194	N.A
2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	194 read with 206AA	N.A
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department under Section 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	197	1. Copy of PAN card 2. Copy of lower tax withholding certificate obtained from Income Tax Department TAN to be used for this purpose <u>MUMK32143G</u>

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

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
1	The aggregate of total dividend distributed to resident individual Shareholder by the Bank during FY 2024-25 does not exceed Rs. 5,000/-	NIL	194	NIL
2	An Individual furnishing Form 15G/15H	NIL	197A	<ol style="list-style-type: none"> Copy of PAN card 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. Format of Form 15G - Annexure 1 Format of Form 15H- Annexure 2
3	Shareholders to whom Section 194 of the Act does not apply such as Insurance Companies LIC, GIC, etc.	NIL	194	<ol style="list-style-type: none"> Copy of PAN card Self-declaration that it has full beneficial interest with respect to the shares owned by it (Please download the Link given as Annexure-3), along with adequate documentary evidence (e.g., registration certificate), to the effect that no tax withholding is required as per provisions of Section 194 of the Act.
4	Shareholder covered under Section 196 of the Act such as Government, RBI, Mutual Funds specified under Section 10(23D) of the Act, corporations established by Central Act and exempt from Income Tax.	NIL	196	<ol style="list-style-type: none"> Copy of PAN card Self-declaration by Mutual Fund that they are specified in Section 10 (23D) of the Act and their income is exempt under Section 10 (23D) of the Act and therefore no TDS is required under Section 196 (iv) of the Act. Self-declaration by Govt, Corporation that they are covered under Section 196 of the Act and hence, no tax deduction is required from the Dividend. (Please download the Link given as Annexure-3), along with registration certificate and adequate documentary evidence, substantiating applicability of Section 196 of the Act.
5	Category I and II Alternative Investment Fund ("AIF")	NIL	197A (1F) read with Notification No. 51/2015	<ol style="list-style-type: none"> Copy of PAN card Self-declaration that Investment Fund is a fund as defined in clause (a) of the Explanation 1 of Section 115UB of the Act; and its dividend income is exempt under Section 10(23FBA) of the Act and it is governed by SEBI regulations as applicable to Category I or Category II AIFs and hence, no TDS is required to

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
				<p>be deducted as per Section 197A (1F) of the Act read with CBDT Notification No.51/2015 dated June 25, 2015 and hence, no tax deduction is required from the Dividend (Please download the Link given as Annexure-3)</p> <p>3. Copy of registration certificate issued by SEBI</p>
6	Securitisation Trust	NIL	197A (1F)	<p>1. Copy of PAN card to download Annexure-3)</p> <p>2. Self-declaration that it is "Securitisation trust" as defined in Section 10(23DA) and as per explanation below Section 115TCA of the Act and Dividend income is exempt in the hands of the trust under Section 10(23DA) and no TDS is required to be deducted as per Section 197A (1F) of the Act read with as per CBDT Notification No.46/2016 dated June 17, 2016 and hence, no tax deduction is required from the Dividend (Please download the Link given as Annexure-3)</p> <p>3. Copy of registration certificate, if any, issued</p>
7	National Pension Scheme Trust (NPS)	NIL	197A (1E)	<p>1. Copy of PAN card</p> <p>2. Self-declaration that it qualify as NPS Trust for the purpose of Section 197A(1E) of the Act and its income is eligible for exemption under Section 10(44) of the Act and hence, no tax deduction is required from the Dividend (Please download the Link given as Annexure-3)</p> <p>3. Copy of registration certificate, if any issued</p>
8	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)	NIL	197A/ Circular No. 18/2017	<p>1. Copy of PAN card</p> <p>2. Self-declaration (Please download the Link given as Annexure-3) along with adequate documentary evidence, substantiating the nature of the entity.</p> <p>3. Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)</p>
9	Recognized Provident Fund, approved Pension fund/approved Superannuation Fund, approved Gratuity Fund (Circular No.18/2017 dt. May 29, 2017)	NIL	Circular No. 18/2017	<p>1. Copy of PAN card</p> <p>2. Self-declaration that it is a Recognised Provident Fund/approved Pension Fund/approved Superannuation Fund/ approved Gratuity Fund under the Act and its income is unconditionally exempt</p>

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
				<p>under Section 10(25) of Act and is statutorily not required to file return of income under Section 139 of the Act and as per CBDT Circular No.18/2017 dated May 29, 2017 and hence no tax deduction is required from the Dividend (Please download the Link given as Annexure-3)</p> <p>3. Copy of registration/ notification/ order</p>

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident Shareholders

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
1	Foreign Institutional Investors ("FIIs") / Foreign Portfolio Investors ("FPIs")	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	196D/ 90	As per Section 90 of the Act, non-resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the Shareholder, if they are more beneficial to them.
2	Other Non-resident Shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	195/90	<p>To avail beneficial rate of tax treaty following documents would be required:</p> <ol style="list-style-type: none"> 1. Copy of PAN card 2. Copy of Tax Residency certificate ('TRC') issued by revenue authority of country of residence of Shareholder for FY year 2024-25 (covering the period from April 1, 2024 to March 31, 2025) 3. Electronically uploaded Form 10F on e- filing portal (Format given as Annexure-4). 4. Self-declaration from Non-resident, primarily covering the following: <ol style="list-style-type: none"> i. Non-resident is resident of treaty country and eligible to claim the benefit of respective tax treaty; ii. Non-resident receiving the dividend income is the

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
				<p>beneficial owner of such income;</p> <p>iii. Dividend income is not attributable/effectively connected to any Permanent Establishment ("PE") or Fixed Base in India;</p> <p>iv. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ("MLI");</p> <p>v. Non-resident does not have a place of effective management in India, etc. and more particularly stated in draft declaration format (Please download the Link given as Annexure-5)</p> <p><i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Bank of the documents submitted by the non-resident Shareholders. In case the documents are found to be incomplete, the Bank reserves the right to not consider the tax rate prescribed under the tax treaty)</i></p>
3	Alternative Investment Fund - Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	115AD/196D(1A)	<ol style="list-style-type: none"> 1. Copy of PAN card (if available) 2. Self-declaration that its Category III AIF located in International Financial Services Centre ("IFSC") of which all the units are held by non-residents other than unit held by a sponsor or manager (i.e. specified fund defined under clause (c) of the Explanation to Section 10(4D)) of the Act (Please download the Link given as Annexure-3) along with adequate documentary evidence substantiating the nature of the entity
4	Non-Resident Shareholders who are tax residents of 'Notified Jurisdictional Area' as defined under Section 94A(1) of the Act	30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus	94A	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

Sr. No.	Particular	Withholding tax rate	Relevant Section of Income Tax Act, 1961 ("Act")	Documents required
		applicable surcharge and cess)		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
5	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department under sections 195 or 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	195/197	Copy of the lower tax withholding certificate obtained from Income Tax Department TAN to be used for this purpose <u>MUMK32143G</u>

Please note that the Bank, in its sole discretion, reserves the right to call for any further information and/or to apply domestic law / DTAA for TDS. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Bank will deduct tax at the rates applicable as per the Act.

The formats of the documents can be downloaded from the website of the Bank viz.:

<https://www.kotak.com/en/investor-relations/investor-information/investor-info.html>

The required documents have to be uploaded on the portal <https://ris.kfintech.com/form15> of KFin Technologies Limited, Registrar and Share Transfer Agent of the Bank or email at einward.ris@kfintech.com, on or before July 25, 2024.

Please note that the Bank will not be able to consider the documents/communication on the tax determination /deduction uploaded or mailed on portal after July 25, 2024.

Notes:

- Application of TDS rates are subject to due diligence and verification of the Shareholder details as available in register of members on the record date and any other additional documents that may be submitted on or before July 25, 2024.
- All documents to be submitted are required to be self-attested (the documents should be signed by Shareholder/authorised signatory stating the document to be "certified true copy of the original"). Benefits depend upon availability of the documents within the time specified and verification of the same by the Bank.
- Members may note that in case the tax on said dividend is deducted at a higher rate in absence of timely receipt, or insufficiency/incomplete/incorrectness of the aforementioned details/documents from you, an option is available to you to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall lie against the Bank for such taxes deducted.
- In case of non-resident Shareholder, in the event of mismatch in the category of Shareholder as per the register of members and as per fourth letter of PAN, the Bank would consider category to which higher surcharge rate applicable.
- 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.
- In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder, as per Rule 37BA, the TDS shall be deducted in the name of such other person if the registered Shareholder provides a declaration as prescribed in this regard. **(Please download the Link given as Annexure-6)**. 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.

- The above communication on TDS sets out the provisions of the law in a summary 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.
- For those whose PAN is found to be valid, the Bank will arrange to email a soft copy of the TDS certificate to the registered email IDs of the respective Shareholders in due course. The TDS amount will also be reflected in Form 26AS of the Shareholder, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>

Please reach out at einward.ris@kfintech.com, for any queries.

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