



Dear Shareholder(s),

Sub: Tata Elxsi Limited - Communication on Tax deduction.

We are pleased to inform you that the Board of Directors at their Meeting held on April 20, 2022 have declared a final dividend of Rs. 42.50 per equity share of Rs.10 each, for the financial year ended March 31, 2022.

Pursuant to the changes introduced by the Finance Act 2020 ("Act"), w.e.f. April 1, 2020, dividends paid or distributed by a Company after April 1, 2020, shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend.

The rate at which the dividend may be subject to withholding tax would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above-referred dividend of Rs. 42.50 per equity share of Rs. 10 each will be paid after deducting the tax at source as follows:

Resident Shareholder

It may be noted tax would not be deducted on payment of dividend to resident Individual shareholder if total dividend to be paid in a financial year does not exceed Rs. 5,000.

Please click the below links to download and fill the forms for Resident shareholders

[Form 15G](#)

[Form 15H](#)

Where the dividend payable exceeds Rs. 5,000 for FY 2022-23, please refer to the table below for the details:

| Particulars | Applicable Rate | Documents required (if any) |
|-------------|-----------------|--|
| With PAN | 10% | Demat Holding - Update the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the respective depository participant. Physical Holding - Update the PAN and the residential status as per Income Tax Act, 1961 if not already done, with the Company's Registrar and Transfer Agents - TSR Consultants Private Limited. |
| | NIL | Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), as per the attached Formats, provided that all the required eligibility conditions are met and form provided by the shareholder is valid. |
| | Double rate | As provided in Section 206AB of the Act, tax is required to be deducted at the higher rates in case of payments made to the 'specified persons'* Your PAN number which would be available in the database of the RTA/Depository as on the record date will be considered by the Company for the purpose of tax deduction at source and the relevant tax compliances. For compliance with Section 206AB, your PAN will be verified in the list of |

TATA ELXSI

Registered Office: **Tata Elxsi Limited**, ITPB Road, Whitefield, Bangalore – 560 048 India

Tel +91 80 2297 9123 Fax +91 80 2841 1474

www.tataelxsi.com

CIN L85110KA1989PLC009968



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| | 'specified persons' as will be generated through the income-tax functionality rolled out by the income-tax department for the said purpose. The specified person who has not submitted PAN and/or has not filed the income-tax returns; the tax shall be deducted at the higher of the two rates prescribed in Section 206AA and Section 206AB of the Act. |
|--|--|

| Particulars | Applicable Rate | Documents required (if any) |
|---|----------------------------|--|
| Without PAN/ Invalid PAN | 20% | - |
| Submitting Order under Section 197 of the Income Tax Act, 1961 (Act) | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from tax authority. |
| Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable) | NIL | Declaration that it has full beneficial interest with respect to the shares owned by it along with PAN |
| Category I and II Alternative Investment Fund | NIL | A declaration that the AIFs are registered under SEBI as per SEBI Regulations. |
| Persons covered under Section 196 of the Act (e.g. Mutual Funds, Govt.) | NIL | Certificate of registration u/s 10(23D) issued by the appropriate authority along with PAN, documentary evidence that the person is covered under said Section 196 of the Act. |

Non-Resident Shareholder

As per Section 90 of the Income Tax Act, the 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. Please refer to the below table for details of documents to avail Tax Treaty benefits.

Please click the below links to download and fill the forms for Resident shareholders

[Form 10F](#)

[Declaration regarding Category and Beneficial Ownership of shares](#)

[Declaration regarding Tax Residency and Beneficial Ownership of shares](#)

[Declaration under Rule 37BC](#)

| Particulars | Applicable Rate | Documents required (if any) |
|---------------------------|-----------------------|---|
| Non-resident shareholders | 20% (plus applicable) | a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. |

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|---|--|--|
| (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)) | surcharge and cess) OR Tax Treaty Rate* (whichever is lower) | b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 21-22. c) Self-declaration in Form 10F (attached herewith) d) Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the non-resident shareholder (draft format attached herewith). |
| Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)** | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from tax authority. |

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'.

** The Company is not obligated to apply the beneficial tax treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.*

*** Withholding rate lower than the rates prescribed in the Income Tax Act or the relevant DTAA shall be applied only on submission of a valid lower/nil withholding certificate u/s 197 obtained from the tax authority.*

Kindly note that if any Non-Resident is a 'specified person' under the above-mentioned provisions (i.e. they have not filed tax returns for past 2 years within due dates and their aggregate of TDS or TCS exceeds INR 50,000 per year), a No PE Declaration should be submitted to the Company. In the event such declaration is not submitted, the Company shall apply withholding tax at a higher rate as per provisions of section 206AB.

The aforesaid documents, as applicable, **should be received by email on or before 6:00 PM IST - June 08, 2022**, to the following e-mail addresses, to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

- 1. Resident shareholders – csg-exemptforms2223@tcplindia.co.in**
- 2. Non-resident shareholders - nriexemptforms@tataelxsi.com**

Copies of the attached Forms are also available for download at the Company's website <https://www.tataelxsi.com/investors/corporate-announcements>

No communication on the tax determination/deduction received post June 08, 2022, shall be considered for payment of Dividend.

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If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by June 08, 2022, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

No claim shall lie against the Company for such taxes deducted.

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Post payment of the said Dividend, shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

We request your cooperation in this regard.

For Tata Elxsi Limited
Cauveri Sriram
Company Secretary

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