



(H.O.: Baroda Bhavan, Alkapuri, Vadodara)  
Corporate Office: Baroda Corporate Centre, C-26, "G" Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

Date: June 22, 2023

**Ref: Folio No./ DP Id & Client Id No:**

**Name of the Shareholder:**

Dear Shareholder,

**Subject: Communication in respect of Tax Deduction at Source (TDS) on the Dividend for the Financial Year 2022-23.**

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

We are pleased to inform you that the Board of Directors of the Bank in their Meeting held on May 16, 2023, have recommended a Dividend of ₹ 5.50 per Equity Share of face value of ₹ 2/- each. i.e., for the Financial Year ended March 31, 2023. The said dividend if approved at the ensuing Annual General Meeting scheduled on July 07, 2023, will be paid to those shareholders whose names appear in the Register of Members of the Bank or in the records of the Depositories as beneficial owners of the shares as at the close of business hours on **June 30, 2023 ("Cut-off Date")**.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Bank is taxable in the hands of the shareholders. The Bank shall, therefore, be required to deduct tax at source ('TDS') from dividend paid to the shareholders at the applicable rates.

All Shareholders are requested to ensure that the details such as Permanent Account Number (PAN), residential status, category of Shareholder (e.g., Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund - Category I, II or III, etc.), email id and address are updated, in their respective demat account(s) maintained with the Depository Participants and in case of shares held in physical form, the above details are updated with KFin Technologies Limited, the

Bank's Registrar & Share Transfer Agent ( "RTA / KFin"). Please note that these details as available on Record Date in the Register of Members will be relied upon by the Bank, for the purpose of complying with the applicable TDS/ withholding tax provisions.

The TDS / withholding tax provisions for various categories of shareholders along with required documents are provided below:

**Table A: Resident Shareholders**

Category of shareholder	Tax Deduction Rate	Exemption applicability and documentation requirements
Any resident shareholder (with PAN)	10%*	Update valid PAN if not already done with depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents- KFIN Technologies Limited (in case of shares held in physical mode).
Any resident shareholder without PAN / invalid PAN/ Shareholder is a Specified Person/ Aadhar and PAN is not linked by 30.06.2023(unless extended)	20%	
Resident individuals submitting Form 15G/15H	NIL	Declaration in Form No. 15G ( <b>Annexure-1</b> ) (applicable to any person other than a company or a firm)/ Form 15H ( <b>Annexure-2</b> ) (applicable to an Individual who is 60 years and older), provided that all the eligibility conditions are met.
Certificate under Section 197 of the Income-tax Act, 1961 ("Act")	Rate provided in the Certificate	Lower/NIL TDS/withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public and Other Insurance Companies	NIL	Self-attested Documentary evidence that the provisions of section 194 of the Act are not applicable to them:  1. PAN 2.Registration certificate; along with 3. Self-declaration given in Annexure-3
Mutual Funds registered u/s 10(23D)	Nil	Self-attested Documentary evidence (e.g., relevant copy of registration, PAN) to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is covered under Section 196 of

		the Act along with Self-declaration given in Annexure-3
Alternative Investment Fund ('AIF') established/ incorporated in India, whose income is exempt u/s 10(23FBA)	NIL	<p>Self-Attested Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015</p> <p>(and)</p> <p>Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with the following documents</p> <p>1. Self-attested copy of the PAN card 2. Registration certificate 3. Self-declaration given in Annexure-3</p>
New Pension System Trust	NIL	Self-attested Documentary evidence (e.g., relevant copy of registration, notification, order, etc.) that the Trust is established in India and are the beneficial owner of the share/shares held in the Bank and income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card and Self-declaration given in Annexure-3 .
Entities exempt under Section 10 of the Act	NIL	<p>If the income is exempt under the Act, the authorized signatory shall submit the declaration given in Annexure -3 duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in Circular No.18 of 2017)</p> <p>Documentary evidence that the person is covered by Circular No. 18/2017 dated May 29, 2017.</p>
Recognized Provident funds/ Approved Superannuation fund/ Approved Gratuity Fund	NIL	<p>Self-attested copy of valid approval granted by the Commissioner needs to be submitted :</p> <p>a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund)</p> <p>b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in Annexure-3</p>

		Documentary evidence that the person is covered by Circular No. 18/2017 dated May 12, 2017.
Corporation established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income-tax on its income including entities in which such corporations are the beneficial shareholders	NIL	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration given in Annexure-3.
Benefit under Rule 37BA	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied by the Bank in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration given in <b>Annexure-4</b> .

***\* Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2023-24 does not exceed ₹ 5,000.***

**Note: Tax Will be deducted @ 20% on the amount of dividend payable,**

- a. Where the PAN is either not available or is invalid, or*
- b. As per provision of Section 206AB of the Income Tax Act, where the shareholders have not filed their Income Tax Returns for FY 2021-22 and the aggregate of TDS and tax collected at source is Rs 50,000/- or more in the said year ('Specified persons'), or*
- c. Individual shareholders who have not linked their PAN with Aadhaar. The last date for linking PAN with Aadhaar is 30<sup>th</sup> June 2023 (Unless extended further) as stipulated by the Central Board of Direct Taxes (CBDT).*

*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.*

**Table B: Non-resident Shareholders**

Category of shareholder	Tax Deduction Rate	Exemption applicability and documentation requirements
Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI) u/s 195	20% (plus applicable surcharge & Cess) or Double Taxation Avoidance Agreement ("Tax Treaty") rate whichever is lower	<p>Non-resident shareholders may opt for a tax rate under the Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of the following documents to the Bank :</p> <ul style="list-style-type: none"> <li>i. Self-attested copy of PAN, if any, allotted by the Indian Income Tax Authorities; or Declaration as per Rule 37BC of Income Tax Rules, 1962 in Annexure - 7</li> <li>ii. Self-attested copy of Tax Residency Certificate (TRC) issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during the Financial Year 2023-24 as per Annexure - 5;</li> <li>iii. Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online untill September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023</li> </ul>

		<p>only) as per Annexure 6.</p> <p>a. For shareholders who have PAN and proposes to claim treaty benefit, they need to mandatorily file the Form 10F online at the link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> with effect from April 1, 2023 to avail the benefit of DTAA.</p> <p>iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty;</p> <p>v. Self-declaration of beneficial ownership by the non-resident shareholder;</p> <p>vi. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;</p> <p>vii. In case of shareholder being tax resident of Singapore, proof demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Tax Treaty should be provided.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess), if any, of the above-mentioned documents are not provided or if documents are not in order.</p> <p>The Bank is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Submitting Order under section 195(3)/197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A (1) of the Act	30% Plus surcharge and education cess	NA
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 that the conditions specified in section 10(23FE) have been complied with</li> </ul>
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	Self-Declaration substantiating the fulfilment of conditions prescribed under section 10(23FE) of the Act

**Note:**

- a. *The 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*
- b. *It is noted that provision of section 206AB are applicable to non-resident shareholders who have Permanent Establishment in India. In this regard, non-resident shareholders, who do not have Permanent Establishment in India, are requested to intimate by way of a declaration in specified format to the Bank that they don't have a Permanent Establishment in India. For the purpose of this section, the expression 'Permanent Establishment' includes a Fixed Place of business through which the business of the foreign enterprise is wholly or partly carried on in India.*

**Table C:**

For all Shareholders
Shareholders are requested to upload aforementioned documents latest <b>by 5.00 PM, July 07, 2023</b> on the website of the RTA viz <a href="https://ris.kfintech.com/form15/">https://ris.kfintech.com/form15/</a> and also email them at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> in order to enable the Bank to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax

determination/deduction shall be entertained after **July 07, 2023**.

Documents received by Post or from registered email ID will only be accepted. In case of joint Shareholders, first named shareholder in the Share Certificate / Demat Account required to furnish the requisite documents for claiming any applicable beneficial tax rate.

For giving TDS credit to another person as per provision clause (i) of sub-rule (2) of Rule 37BA of the Income Tax Rules, 1962, Shareholders are requested to provide Declaration along with a copy of the PAN card of the person to whom credit is to be given **by 5.00 PM, July 07, 2023**.

The Central Board of Direct Taxes has provided a functionality for compliance check under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Bank will be using said functionality to determine the applicability of Section 206AB of the Act.

#### **General Notes:**

1. Shareholders will also be able to see the credit of TDS in Form 26AS/AIS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.
2. If the tax is deducted at a higher rate in absence of receipt of, or satisfactory completeness of the aforementioned details/documents by the Bank before dividend processing period, option is available with you to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall, however, lie against the Bank for such taxes deducted.
3. 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 Bank and also, provide the Bank with all information / documents and co-operation in any appellate proceedings.
4. All communications/queries in this respect should be addressed to RTA at its email address [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) . Alternatively, you may contact the Bank on the above address.
5. This communication shall not be treated as an advice from the Bank. Shareholders should obtain tax advice related to their tax matters from a tax professional.

6. **Updation of Income Tax PAN, Bank Account details, Signature, Mobile Number, E-Mail ID, Address, Nomination and other details:**

Shareholders are requested to update their I. tax PAN, Bank Account details, Signature, Mobile Number, E-mail ID, Residential Address, Residential status, category, Nomination and other details with their relevant Depository Participants (DPs), if the Shareholding is in Demat form.

[Annexure 1 - To view / download Form 15G](#)

[Annexure 2 - To view / download Form 15H](#)

[Annexure 3 - Declaration regarding category and Beneficial Ownership](#)

[Annexure 4 - Declaration under Rule 37BA](#)

[Annexure 5 - To view / download NR Tax Declaration Form](#)

[Annexure 6 - To view / download Form 10E](#)

[Annexure 7 - To view / download Declaration under Rule 37BC:](#)

Thanking You,

Yours Faithfully,

For **Bank of Baroda**

**P K Agarwal**

**Company Secretary**

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