

**THE INDIAN HOTELS COMPANY LIMITED**

Corporate Identification No. (CIN) - L74999MH1902PLC000183
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Dear Shareholder,

Trust you and your family are safe and in good health!!

We are pleased to inform you that the Board of Directors at their Meeting held on April 30, 2021, have recommended a Final Dividend of ₹ 0.40/- per Equity Share of ₹ 1/- each (40%) for the Financial Year ended March 31, 2021 subject to shareholders' approval at the ensuing Annual General Meeting (AGM) to be held on Tuesday, June 22, 2021.

As you are aware, the Income Tax Act, 1961 ('the IT Act'), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. As such, the Company shall therefore be required to deduct tax at source at the time of making the payment of the Final Dividend, if declared at the aforesaid AGM.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the IT Act for Resident and Non-Resident shareholder categories.

Table 1: Resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any resident shareholder	10%	Update the PAN, if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). <ul style="list-style-type: none">No deduction of taxes in the following cases - If dividend income to a resident Individual shareholder during FY 2021-22 does not exceed INR 5,000/-;If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.Higher rate may apply as per provisions of Section 206AB (once applicable), if shareholder has not filed its return of income for two consecutive years and taxes withheld at source exceeds INR 50,000.
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholder providing Form 15G (applicable to resident individual) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions.
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies (Public/ Other)	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate. (Annexure 3)

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Corporation established by or under a Central Act, which is exempt from income-tax	NIL	Documentary evidence that the person is covered under section 196 of the Act. (<u>Annexure 3</u>)
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act. (<u>Annexure 3</u>)
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015. (<u>Annexure 3</u>)
Other resident shareholder without PAN/Invalid PAN	20%	<ul style="list-style-type: none"> The Central Government has extended the last date of linking of Aadhar with PAN till 30th June 2021. PAN will be considered inoperative if Aadhar is not linked with PAN by the said date. Higher rate may apply as per provisions of Section 206AB (once applicable), if shareholder has not filed its return of income for two consecutive years and taxes withheld at source exceeds INR 50,000.

Please Note that:

- Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- In case where shares held by intermediaries/ stock brokers and TDS is to be deducted in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration (**Annexure 6**). This declaration should be shared within 2 days from the record date. No declaration shall be accepted after 2 days from the records date.

Table 2: Non-resident Shareholders

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any non-resident shareholder (Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI))	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company</p> <ul style="list-style-type: none"> Copy of the PAN Card, if any, allotted by the Indian authorities. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident Self-declaration in Form 10F (<u>Annexure 4</u>). Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India. (<u>Annexure 5</u>). <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty</p>

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		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.
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.

Note: 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

The Forms as mentioned in Table 1 & 2 can be accessed and downloaded from the website of the Company at the web-link <https://www.ihcltata.com/AGM/2021/TDS/>

Kindly note that the documents/annexures as mentioned in the Table 1 and 2 above are required to be submitted to the Company/ Registrar at email ID ihcldivtax@linkintime.co.in or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **June 8, 2021** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of June 8, 2021.

It may be further noted that in case the tax on said Final 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. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

We request your co-operation in this regard.

Sincerely,

BEEJAL DESAI
Senior Vice President - Corporate Affairs & Company Secretary (Group)

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional

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