

DEDUCTION OF TAX ON DIVIDEND

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ('the Act') as amended by the Finance Act, 2020, dividends paid or distributed by the Company on or after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source ('TDS') at the time of making payment of the said Dividend.

All Shareholders are requested to ensure that the details such as PAN, residential status, category of shareholder (e.g. Domestic company, foreign company, Individual, Firm, LLP, HUF, Foreign Portfolio Investor (FPI), Foreign Institutional Investor (FII), Government, Trust, Alternate Investment Fund – Category I, II or III, etc), email id and address are updated, in their demat account/s maintained with the Depository Participants. Please note that these details as available on Record date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable withholding tax provisions.

This communication provides a brief of the applicable TDS provisions under the Act for Resident and Non-Resident shareholder categories.

| I. Resident Shareholders : | | |
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| Category of Shareholders | Tax Deduction Rate | Exemption Applicability/ Documentation Requirement |
| Any Resident Shareholders | 10% | <ul style="list-style-type: none"> • Update the PAN if not already done with depositories (in case of shares held in DEMAT mode) and with the Company's RTA (in case of shares held in physical mode). • No taxes will be deducted in the following cases: <ul style="list-style-type: none"> (a) If dividend income to the resident individual shareholder during FY 2022-23 does not exceed ₹ 5,000. (b) If the Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same. • Furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individuals above the age of 60 years with no tax liability on the total income). |
| Resident shareholder without PAN/ with Invalid PAN | 20% | - |
| Resident shareholder having Order under section 197 of the Act | Rate provided in the Order | Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities |



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| Mutual Funds specified under clause (23D) of section 10 of the Act | NIL | <ul style="list-style-type: none"> Declaration that it is a Mutual Fund specified under section 10(23D) of the Act and accordingly, is covered under section 196 of the Act. Self-attested copy of PAN and valid SEBI registration certificate or notification. |
| Insurance Companies | NIL | Declaration that it has full beneficial interest in the shares. |
| Category I and II AIF | NIL | <ul style="list-style-type: none"> Declaration that income of the AIF is exempt under section 10(23FBA) of the Act as it has been granted a certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012. Self-attested copy of PAN and valid SEBI registration certificate. |
| Any other entity entitled to exemption from TDS | NIL | Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption |

II. Non-Resident Shareholders :

| Category of Shareholders | Tax Deduction Rate | Exemption Applicability/ Documentation Requirement |
|---|---|---|
| Foreign Institutional Investors (“FIIs”) and Foreign Portfolio Investors (“FPIs”) | 20% ^{@@} (plus applicable surcharge and cess) ^{@@} or at applicable concessional rate, if any, as on the date of payment of dividend | <ul style="list-style-type: none"> Self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident relevant for FY 2022-23 Self-declaration in Form 10F Declaration for no permanent establishment in India during the FY 2022-23 |
| Other Non-Resident Shareholders | 20% (plus applicable surcharge and cess) or Tax Treaty rate ^{**} , whichever is lower | <p>Non-resident shareholders may opt for tax rate under the Double Taxation Avoidance Agreement (‘Tax Treaty’). The Tax Treaty rate may be applied for tax deduction at source on submission of the following documents to the Company:</p> <ul style="list-style-type: none"> Self-attested copy of the PAN allotted by the Indian Income-tax authorities |

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| | | <ul style="list-style-type: none"> • Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident • Self-declaration in Form 10F • Self-declaration for availment of treaty benefits |
| Other Non-Resident Shareholders having Order under section 197 of the Act** | Rate provided in the Order | Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities |
| Tax resident of any notified jurisdictional area | 30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus applicable surcharge and cess) | 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 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. |
| Any entity entitled to exemption from TDS | NIL | Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by the Indian tax authorities) in support of the entity being entitled to exemption from TDS |

**Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder.

Notes:

(a) **TDS to be deducted at higher rate in case of non-filers of Return of Income:**

The Finance Act, 2021, has *inter alia* inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i) At twice the rate specified in the relevant provision of the Act; or
- ii) At twice the rates or rates in force;
- iii) At the rate of 5%

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

(b) Clearing Members:

Clearing Members are requested to transfer shares, from their pool account, collateral, securities unpaid account, etc. from their demat account to the ultimate beneficiaries/ buyers of the shares, so that TDS credit can be pass on to them.

Or

Provide Declaration under section 199 of the Income-tax Act, 1961 and Rule 37BA of the Income-tax Rules, 1962 with list of the Clients in whose favour TDS is to be reported on the Dividend Income received in accordance with Rule 37BA.

In this case it would be the responsibility of the Clearing Members to claim an appropriate refund in the return of income filed with their respective Tax authorities and in such case, the Company shall not entertain any request to revise e-TDS return from the Clearing Members on behalf of their beneficiaries / buyers.

- (c) All the above referred tax rates will be enhanced by surcharge and cess, as applicable.
- (d) In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to upload the above-mentioned details and documents as applicable to you with KFin Technologies Limited, the Registrar and Transfer Agent of the Company at <https://ris.kfintech.com/form15> or to email to einward.ris@kfintech.com. The Final dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found satisfactory.

All communications/ queries in this respect should be addressed and sent to our RTA, KFin Technologies Limited at its email address einward.ris@kfintech.com.

- (e) If the requisite documents and details are not provided by the shareholders within the specified time, TDS would be regulated as per the provisions of the Act. In such a case, if TDS is deducted at a rate which is considered higher than the applicable rate of tax in a particular case, refund of such excess TDS may be claimed by the shareholder as provided under law. No claim shall, however, lie against the Company for such deduction of TDS.
- (f) We shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend.
- (g) 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>.
- (h) While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with KFinTech. This will facilitate receipt of dividend directly into your bank accounts. In case the



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cancelled cheque leaf does not bear the shareholders name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company or the RTA at the abovementioned emails.