



### DEDUCTION OF TAX ON DIVIDEND

As per the Income-tax Act, 1961 ('the Act'), dividends declared or distributed or paid by a Company during the Financial Year 2023-24 shall be taxable in the hands of the Shareholders and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to shareholders at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government.

The TDS rate would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Accordingly, the Interim Dividend for F.Y. 2023-24 will be paid after deducting TDS as explained herein.

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 residential 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.

<b>I. Resident Shareholders :</b>		
<b>Category of Shareholders</b>	<b>Tax Deduction Rate</b>	<b>Exemption Applicability/ Documentation Requirement</b>
Any Resident Shareholders	10%	<ul style="list-style-type: none"><li>• 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).</li><li>• No taxes will be deducted in the following cases:<ul style="list-style-type: none"><li>(a) If dividend income to the resident individual shareholder during FY 2023-24 does not exceed ₹ 5,000.</li><li>(b) If the Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the</li></ul></li></ul>



# DB Corp Ltd

		<p>PAN along with documentary evidence in relation to the same.</p> <ul style="list-style-type: none"><li>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). {<a href="#">Click here to download – 15G</a> or <a href="#">Click here to download – 15H</a>}</li></ul>
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
Mutual Funds specified under clause (23D) of section 10 of the Act	NIL	<ul style="list-style-type: none"><li>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.</li><li>Self-attested copy of PAN and valid SEBI registration certificate or notification.</li></ul>
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"><li>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.</li><li>Self-attested copy of PAN and valid SEBI registration certificate.</li></ul>
Approved Superannuation Fund	NIL	Self-attested copy of valid approval granted by the Commissioner.
Recognised Provident Fund, Approved Gratuity Fund, National	NIL	Self-attested copy of valid approval granted by the Commissioner.

Pension Scheme, Government (Central/ State)/ RBI		
Corporation established by or under a Central Act, which is, under any law for the time being in force, exempt from income-tax on its income	NIL	Declaration that it is a corporation established by or under a Central Act whereby income- tax is exempt on the income and accordingly, covered under section 196 of the Income-tax Act, 1961.
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

<b>II. Non-Resident Shareholders :</b>		
<b>Category of Shareholders</b>	<b>Tax Deduction Rate</b>	<b>Exemption Applicability/ Documentation Requirement</b>
Foreign Institutional Investors (“FIIs”) and Foreign Portfolio Investors (“FPIs”)	20% <sup>@@</sup> (plus applicable surcharge and cess)  <sup>@@</sup> or at applicable concessional rate, if any, as on the date of payment of dividend	<ul style="list-style-type: none"> <li>• Self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI</li> <li>• 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 2023-24</li> <li>• Self-declaration in Form 10F {<a href="#">Click here to download – 10F</a>}</li> <li>• Declaration for no permanent establishment in India during the FY 2023-24</li> </ul>
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"> <li>• Self-attested copy of the PAN allotted by the Indian Income-tax authorities</li> <li>• Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the</li> </ul>



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		<p>shareholder is a resident</p> <ul style="list-style-type: none"><li>• Self-declaration in Form 10F {<a href="#">Click here to download – 10F</a>}</li><li>• Self-declaration for availment of treaty benefits {<a href="#">Click here to download</a>}</li></ul>
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) Status under section 206AB, higher tax in case of non-filing of required income tax returns or pursuant to Section 139AA of the Act where PAN is inoperative due to non-linking with Aadhaar, would be determined based on the data shared by the Income Tax Department and accordingly higher tax will be deducted for non-compliant PANs.
- (b) 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 are held under a PAN will be considered on their entire holding in different accounts.

- (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](mailto:einward.ris@kfintech.com) **on or before Tuesday, August 1, 2023**. The said Interim 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](mailto: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) **NO COMMUNICATION ON THE TAX DETERMINATION / DEDUCTION SHALL BE ENTERTAINED AFTER AUGUST 1, 2023.**
- (g) 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.
- (h) 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>.
- (i) Shareholders are requested to update their bank account details in their Demat accounts/ Folio, by contacting the DP or RTA of the Company. Your co-operation in this regard is solicited.
- (j) Shareholders holding shares in physical form who have not yet updated their KYC details may please submit the details in Form ISR-1, Form ISR-2 and Form No. SH-13/Form ISR 3. The link for downloading Forms, kindly click on <https://www.dbcorpltd.com/Communication to Shareholders.php>

*Disclaimer: The information set out herein above is included for general informatign*



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*purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.*