

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND

In accordance with the provisions of the Income Tax Act, 1961 ('the IT Act') dividend declared and paid by the Company is taxable in hands of shareholders. The Company shall, therefore, be required to deduct Tax at Source ('TDS') at the applicable rates on dividend payable to its shareholders prescribed under the Act, read with Double Taxation Avoidance Agreements (wherever applicable). The rate of TDS would vary depending on the residential status of the shareholder and the documents submitted and duly accepted by the Company.

Please take note of the below TDS provisions and information/document requirements for each member:

A. Resident shareholders:

A.1 No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 10,000 (Rupee Ten Thousand), subject to availability of PAN of member.

A.2 Tax shall be deducted from Dividend paid to resident members (other than category prescribed under A.1 above) as per the details provided below:

| Particulars | Applicable Rate of Tax | Declaration/ documents required |
|---|---|--|
| Where valid PAN is updated with the Depository Participant (in case shares are held in dematerialized form) or with Company's Registrar and Transfer Agent ("RTA") (in case shares are held in physical form) and no exemption is sought by the resident member | 10% | Not applicable |
| No PAN/ Invalid PAN/ Inoperative PAN* and no exemption sought by member | 20% | <p>Not applicable</p> <p>Note: In case of a shareholder being resident individual eligible for obtaining Aadhaar Number have not linked the Aadhar Number allotted with its PAN (as on the date of payment of such dividend), such PAN would be treated as inoperative for the provisions of deduction of TDS.</p> |
| Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the IT Act | Rate specified in Lower tax withholding certificate obtained from Income Tax Department | <ul style="list-style-type: none">Copy of PAN cardCopy of lower tax withholding certificate obtained from Income Tax Department <p>Note: The certificate should be valid for the financial year 2025-26 and should cover the dividend income from the company.</p> |

* As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar, except person exempted as per Notification No. 37/2017. In case of failure to comply to this, the PAN allotted shall be deemed to be inoperative and tax shall be deducted at higher rates as prescribed under the IT Act.

A.3 No tax shall be deducted on Dividend to resident members if the members submit documents mentioned in the below table with the RTA:

| Particulars | Declaration/ documents required |
|--|--|
| Individual furnishing Form 15G/ 15H | <ul style="list-style-type: none"> Copy of PAN card Form 15G (applicable to an individual who is less than 60 years) OR Form 15H (applicable to individual who is 60 years or more), provided that all the required eligibility conditions are met. |
| Submitting Certificate under Section 197 of the IT Act | <ul style="list-style-type: none"> Copy of PAN card NIL withholding tax certificate obtained from tax authority <p>Note: The certificate should be valid for the financial year 2025-26 and should cover the dividend income from the company.</p> |
| Members [e.g. LIC, GIC,] for whom Section 194 of the IT Act is not applicable | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (refer Annexure 1 enclosed separately with this communication) along with adequate documentary evidence (e.g., registration certificate) to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the IT Act. |
| Category I and II Alternative Investment Fund (AIF) | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (refer Annexure 1 enclosed separately with this communication) that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate along with the confirmation that their income is exempted from tax in terms of notification no. 51/2015 issued by CBDT |
| Persons covered under Section 196 of the IT Act (e.g. Mutual Funds specified under clause (23D) of Section 10 of the IT Act, RBI, Govt.) | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (refer Annexure 1 enclosed separately with this communication) along with documentary evidence (e.g., registration certificate) that the person is covered under said Section 196 of the IT Act |
| Other shareholders exempt as per Section 197A of the IT Act including those mentioned in Circular No. 18/2017 issued by CBDT viz. New Pension System Trust governed by Section 10(44), Recognized Provident Fund, Approved Superannuation Fund or Approved Gratuity Fund | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (refer Annexure 1 enclosed separately with this communication) along with documentary evidence to the effect that no tax withholding is required Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017) |

B. Non-resident shareholders:

As per Section 90 of the IT Act, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement ("Tax Treaty") between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

| Particulars | Applicable Rate | Documents required (if any) |
|--|---|--|
| Non-resident Members (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)) | 20% plus applicable surcharge and cess OR Tax Treaty Rate* (Whichever is lower) | <p>If the member wants to avail the tax rates as per the Tax Treaty, following documents would be required:</p> <ul style="list-style-type: none"> Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities Self-attested copy of Tax Residency Certificate (TRC)[^] issued by the competent authority of the country of member's residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2025-26 Electronically generated Form 10F from the link https://eportal.incometax.gov.in In case of FIIs and FPIs, self-attested copy of SEBI registration certificate Self-declaration in the (refer Annexure 2 enclosed separately with this communication), certifying that – <ol style="list-style-type: none"> You will continue to remain a tax resident of the country of your residency during the Financial Year 2025-26; You are eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company; You have no reason to believe that your claim for the benefits of the Tax Treaty is impaired in any manner; You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; You do not have a taxable presence/ permanent establishment/ fixed base/ Business Connection/ Place of Effective Management, in India in accordance with the applicable Tax Treaty or dividend income is not attributable/ effectively |

| Particulars | Applicable Rate | Documents required (if any) |
|---|---|---|
| | | connected to any permanent establishment or fixed base in India vi. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'). |
| Submitting Certificate under Section 197 of the IT Act. | Rate specified in Lower/Nil withholding tax certificate | Lower/NIL withholding tax certificate obtained from tax authority Note: The certificate should be valid for the financial year 2025-26 and should cover the dividend income from the company. |
| Alternative Investment Fund – Category III located in International Financial Services Centre | 10% (plus applicable surcharge and cess) | <ul style="list-style-type: none"> Copy of PAN card Self-declaration (refer Annexure 3 enclosed separately with this communication) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity. |
| Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act | 30% | Not applicable |
| Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act | NIL | <ul style="list-style-type: none"> Copy of Valid PAN Card Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India. Self-Declaration (refer Annexure 4 & Annexure 5 enclosed separately with this communication) that the conditions specified in section 10(23FE) have been complied with. |
| Foreign Portfolio Investors (FPIs) – Category I | 10% (plus applicable surcharge and cess) in case of a valid PAN | <ul style="list-style-type: none"> Copy of Valid PAN card Self-declaration (refer Annexure 6 enclosed separately with this communication) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity. |
| Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act | NIL | <ul style="list-style-type: none"> Copy of Valid PAN Card Self-Declaration (refer Annexure 7 enclosed separately with this communication) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the IT Act |

[^]In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.

*Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members and meeting requirement of the IT Act read with applicable Tax Treaty. It must be ensured that self-declaration should be addressed to the company and should be in the same format as attached. In the absence of the same, the company will not be obligated to apply the beneficial Tax Treaty rate at the time of tax deduction on dividends.

For all members (Resident and Non- Resident)

Members holding shares under multiple accounts under different residential status/ shareholder category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.

The aforementioned forms (duly completed, signed and scanned) along with PAN (unless already registered) shall be submitted on our RTA, KFIN Technologies Limited in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable.

After receipt of any of the declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.

A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the IT Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income. Please refer **Annexure 8**.

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 members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.