

A. RESIDENT SHAREHOLDERS:

A.1 No tax will be deducted on payment of dividend to the **RESIDENT INDIVIDUAL SHAREHOLDER** if the total dividend, paid during Financial year ('FY') 2023-24 does not exceed INR 5,000/-.

A.2 Tax deductible at source for **RESIDENT SHAREHOLDER (OTHER THAN RESIDENT INDIVIDUAL SHAREHOLDER RECEIVING DIVIDEND NOT EXCEEDING INR 5,000/- DURING FY 2023-24)**

S.No.	Particulars	WHT rate	Declaration(s)/ Documents
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Resident shareholder	10%	N.A.
2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by shareholders	20%	N.A.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none">• Copy of PAN card; and• Copy of lower tax withholding certificate obtained from Income Tax Department
4	Alternative Investment Fund ('AIF') (Category III)	10%	NA

A.3 **NIL TAX-DEDUCTIBLE AT SOURCE/ NIL WITHHOLDING** on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in the below table with the Company/ RTA:

S.No.	Particulars	Declaration / documents required
1	Resident Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none">• Copy of PAN card• Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is of 60 years and above), fulfilling prescribed conditions. Please refer Annexure A for format of Form 15G and Annexure B for format of Form 15H.

S.No.	Particulars	Declaration / documents required
2	Mutual Funds specified under section 10(23D) of the Act	<ul style="list-style-type: none"> Self-attested copy of PAN; A self- declaration in the format as prescribed in Annexure C; and Registration/ exemption certificate substantiating applicability of section 196/ 10(23D) of the Act.
3	Insurance Companies: Public and other insurance companies	<ul style="list-style-type: none"> Self-attested copy of PAN; A self- declaration in the format as prescribed in Annexure D; and Registration/ exemption certificate substantiating applicability of section 194 of the Act.
4	Persons Covered under Section 196 of the Act (e.g. Govt., RBI, Corporations established by Central Act and exempt from income tax)	<ul style="list-style-type: none"> Self-attested copy of PAN, wherever applicable; Self- declaration in the format prescribed in Annexure E; and Registration/ exemption certificate substantiating applicability of section 196 of the Act.
5	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> Copy of PAN card Self-declaration in the format prescribed in Annexure E stating that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, Copy of registration certificate.
6	Any other entity exempt from withholding tax under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> A self- declaration in the format as prescribed in Annexure E (except for individual Sikkimese resident) Submit declaration in Annexure F in case of individual Sikkimese resident Adequate documentary evidence, substantiating the type of the entity.

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source/ tax withholding for non-resident shareholders.

S.No.	Category	Withholding Tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Shareholders may also apply for a lower TDS rate as per the relevant Double Taxation Avoidance Agreements ('DTAA'), if the following documents are submitted:

		<p>OR</p> <p>Tax treaty rate**</p> <p>(whichever is beneficial)</p>	<ul style="list-style-type: none"> • Copy of Indian Tax Identification number ('PAN'). In case PAN not available, details specified in Annexure G to be provided; • Tax Residency Certificate (TRC)^ obtained from the tax authorities of the country of which the shareholder is a resident, valid for Financial Year ('FY') 2023-24 (covering the period from 01 April 2023 to 31 March 2024); • Form 10F^ duly filled and signed. For easy reference, refer sample pre-filled copy of Form 10F as per Annexure I (or Annexure K, as applicable); • Self-declaration for FY 2023-24 (covering the period from 01 April 2023 to 31 March 2024) in the format as specified in Annexure N on shareholder's letterhead, primarily (not exclusive list) covering the following: <ul style="list-style-type: none"> (a) Non-resident is eligible to claim the benefit of respective tax treaty (b) Non-resident receiving the dividend income is the beneficial owner of such income (c) Dividend income is not attributable/ effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
2	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> • Document evidencing the applicability of section 10(23FE) of the Act • Self-declaration in the format as prescribed in Annexure M that the conditions specified in section 10(23FE) have been complied with
3	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> • Self-declaration in the format as prescribed in Annexure M that the conditions specified in section 10(23FE) have been complied with
4	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)#	NA

5	Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax treaty rate** (whichever is beneficial)	Shareholders may also apply for a lower TDS rate as per the relevant Double Taxation Avoidance Agreements ('DTAA'), if the following documents are submitted: <ul style="list-style-type: none"> • Copy of Indian Tax Identification number ('PAN'). In case PAN not available, details specified in Annexure G to be provided; • Tax Residency Certificate (TRC)[^] obtained from the tax authorities of the country of which the shareholder is a resident, valid for Financial Year ('FY') 2023-24 (covering the period from 01 April 2023 to 31 March 2024); • Form 10F^{^^} duly filled and signed. For easy reference, refer sample pre-filled copy of Form 10F as per Annexure I (or Annexure K, as applicable) • Self-declaration for FY 2023-24 (covering the period from 01 April 2023 to 31 March 2024) in the format as specified in Annexure N on shareholder's letterhead, primarily (not exclusive list) covering the following: <ul style="list-style-type: none"> (a) Non-resident is eligible to claim the benefit of respective tax treaty (b) Non-resident receiving the dividend income is the beneficial owner of such income (c) Dividend income is not attributable/ effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
6	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> • Copy of the lower tax withholding certificate obtained from Income Tax Department

[^] 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.

^{^^} CBDT vide Notification No. 03/2022 dated 16 July 2022 mandated furnishing inter-alia of Form 10F electronically. Accordingly, non-residents shareholders are requested to furnish the information as required in Form 10F electronically (refer [Annexure H](#) for the steps to file Form 10F online) and submit the copy of the same to the Company (refer [Annexure I](#) for a redacted version of an electronically filed Form 10F).

Further, CBDT vide Notification dated 13th December 2022, a relaxation has been provided to the person not having PAN and not required to have PAN in India from electronically filing of Form 10F. Where a person is eligible for the said relaxation, they are requested to furnish the

information as required in Form 10F (refer [Annexure J](#) for draft Form 10F and [Annexure K](#) for sample filled copy of Form 10F) manually and submit a copy of the same to the Company along with a declaration that the person does not have a PAN and is not required to have PAN in India (refer [Annexure L](#) for the draft No-PAN Declaration).

*** The beneficial Tax Treaty rates will not automatically apply at the time of tax deduction/ withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty.*

Notes:

- (i) In case, the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the June 9, 2023, the registered shareholder is required to furnish a declaration containing the name, address, PAN, number of shares, dividend amount of the person to whom TDS credit is to be given and reasons for giving credit to such person. In this regard, a declaration must be filed with the Company in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, number of shares, dividend amount along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given.

Refer [Annexure O](#) for draft format of declaration for providing credit of TDS to another person.

In case such details are furnished to the Company after **Friday 9th June, 2023 Business 17:00 Hours (IST)** the Company shall reject such documents/ communication.

- (ii) Duly completed and signed documents should be provided to the Company/ RTA. Incomplete and/or unsigned forms and declarations will not be considered by the Company. Further, in case, where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. For all documents being uploaded by the shareholder, the shareholder undertakes to send the original document(s) on the request of the Company.
- (iii) The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **Friday 9th June, 2023** to enable the Company to determine the applicable TDS rate. Any communication in relation to tax rate determination/ deduction received post **Friday 9th June, 2023** shall not be considered.
- (iv) Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and other documents available with the Company/ RTA. Shareholders holding shares under multiple accounts under different residential status/ category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
- (v) In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at higher rate as applicable, without any further communication in this regard.
- (vi) Recording of the valid Permanent Account Number (PAN) in the records of Company/ RTA is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- (vii) Further, if the PAN is not as per the database of the Income-tax Portal, it would be considered an invalid PAN.
- (viii) Rate of TDS @10% under section 194 of the Act when the dividend payment is made to resident or rate under section 195 as applicable to non-resident is subject to provisions of section 206AB of Act (effective from 01 July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:
 - at twice the rate specified in the relevant provision of the Act; or
 - at twice the rate or rates in force; or
 - at the rate of 5%.

Where sections 206AA¹ and 206AB are applicable i.e., the specified person has not submitted the

¹ Rate of tax deduction under section 206AA is 20% (refer point 5 in the Table above)

PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed its income tax return for the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and

The aggregate of TDS and Tax Collection at Source ('TCS') is ₹50,000 or more in the said previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

In this regard, the Company will use the online utility provided by Central Board of Direct Taxes ('CBDT') "**Compliance Check for Sections 206AB and 206CCA**". Refer **Circular No. 11 of 2021** issued by CBDT in this regard.

In case, a person fulfils the conditions of being a 'specified person' as per the CBDT online utility, then tax will be deducted at higher rate as discussed above.

- (ix) In the event of a mismatch in the category of shareholder (individual, company, trust, partnership, local authority, Government, Association of Persons etc.) as per the register of members and as per fourth letter of PAN (10 digit alpha-numeric number), the Company would consider fourth letter of PAN for determining the category of shareholders and the applicable tax rate/ surcharge/ education cess.
- (x) In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
- (xi) The certificate in respect of tax deducted at source, if any, will be available at **<https://vendors.havells.com/login/login.aspx>** (post filing of TDS Return of Quarter-2 for the Financial Year 2023-24). You can login by entering your folio No. as user Id and your income tax Permanent Account Number (PAN) as password.

You will also be able to view the credit of TDS in Form 26AS, which can be downloaded from your e-filing income tax portal **<https://www.incometax.gov.in/iec/foportal>**.

- (xii) 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, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
- (xiii) 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. Shareholders should consult their tax advisors for requisite action to be taken by them.