



THE PHOENIX MILLS LIMITED

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Intimation on Tax Deduction at Source (TDS) / withholding tax on Dividend for Financial Year 2021-22

We are pleased to inform you that the Board of Directors at its Meeting held on May 24, 2022, have recommended a Final Dividend of Rs.2.40/- per equity share (120%) of face value of Rs.2/- each for the financial year ended March 31, 2022. The dividend, as recommended by the Board, if declared at the ensuing 117th Annual General Meeting ("AGM"), will be paid to eligible shareholders within 30 days of the date of its declaration.

As you may be aware, in terms of the provisions of the Income Tax Act, 1961, ("IT Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020 is taxable in the hands of the members. The Company shall therefore be required to deduct tax at source at the time of payment of dividend to shareholders at the applicable rates.

Tax rates that are applicable to members depend upon their residential status and classification as per the provisions of IT Act. All members are requested to update the residential status and category in their respective demat accounts with Depository Participant ("DP"), if the shareholding is in demat form or with the Company's Registrar & Transfer Agent ("RTA"), M/s. Link Intime India Private Limited, if the shareholding is held in physical form.

This communication summarizes the applicable TDS provisions as per IT Act, for Resident and Non-Resident members categories.

A) Resident Members:

Tax will be deducted at source under Section 194 of IT Act @ 10% of the amount of dividend payable, unless exempt under any of the provisions of IT Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during financial year 2022-23 does not exceed Rs. 5,000. TDS will be subject to the below requirements:

Where, Permanent Account Number ("PAN") is available and such PAN is valid / operative as per the provisions of IT Act:

In accordance with Section 194 of IT Act, for resident members where tax is deductible at source under this provisions of IT Act, TDS shall be applied from the dividend amount @ 10%, except for members (where tax will be deductible at a higher rate as per provisions of Section 206AA or Section 206AB of IT Act), or for resident members who have not filed its return of income for two consecutive previous years and aggregate TDS exceeds Rs. 50,000 in each of

the two previous years (as per Section 206AB), to be verified by the Company from the Government enabled online facility.

The above TDS will be applied by the Company unless exempt under the provisions of IT Act and subject to furnishing of the following self-certified documents:

- **Form 15G / 15H in the case of eligible Resident Individual members:**

No TDS shall be applied in the case of a resident individual member, if the member provides duly signed Form 15G (applicable to an individual below the age of 60 years) or Form 15H (applicable to an individual of the age of 60 years and above), provided that all the prescribed eligibility conditions are met (*Format of declaration forms are annexed as **Annexure "1"** and **Annexure "2"** respectively*). Please note all fields are mandatory and company shall reject forms if insufficient information is provided.

- **Insurance companies:**

Documentary evidence (*PAN and registration certificate*) that the provisions of Section 194 of IT Act are not applicable to them (self-attested by the competent authority with affixed stamp).

- **Mutual Funds:**

Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of IT Act and is covered under Section 196 of IT Act.

- **Alternative Investment Fund ("AIF") established in India:**

Self- declaration that its dividend income is not chargeable under the head "Profit and Gains of Business or Profession" and exempt under Section 10(23FBA) of IT Act and they are established as Category I or Category II AIF under the SEBI regulations.

- **Entities exempt under Section 10 of IT Act:**

In case of resident non-individual members, if the income is exempt under IT Act, the authorized signatory shall submit the declaration along with evidence duly signed with stamp affixed for the purpose of claiming exemption from TDS

- **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:**

Documentary evidence that the person is covered under Section 196 of IT Act

- **Benefit under Rule 37BA:**

In case where shares are held by intermediaries / stock-brokers and TDS is to be applied by the Company in the PAN of the beneficial members, then intermediaries / stock-brokers and beneficial members will have to provide a declaration. (*Format of declaration is annexed as **Annexure "3"***). This declaration should be shared within 2 days from the record date as may be intimated by the Company. Kindly note that no declaration shall be accepted after 2 days from the record date.

Where a shareholder furnishes a valid Nil or lower tax rate deduction certificate under Section 197 of IT Act, TDS will be applied as per the rates prescribed in such certificate.

B) Non-Resident Members:

- 1) Tax is required to be withheld in accordance with the provisions of Section 195 of IT Act at applicable rates in force and as per Section 196D of IT Act. As per the provisions of IT Act, the tax shall be withheld @ 20% (plus surcharge and cess, as applicable) on the amount of dividend payable.
- 2) As per Section 90 of IT Act, a non-resident member has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if such DTAA provisions are more beneficial to such member. To avail the DTAA benefits, the non-resident member will have to compulsorily provide the following documents:
 - Copy of Permanent Account Number (PAN), if available.
 - Self-attested copy of Tax Residency Certificate ("TRC") issued by the revenue authorities of the Country of which member is tax resident, evidencing and certifying member's tax residency status during financial year 2022-23.
 - Form 10F in electronic format as required by Notification No 03/2022
 - Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable tax treaty and beneficial ownership by the non-resident member (*Format of the declaration is annexed as **Annexure "4"***).
 - In case of member being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

Recently, Government vide Notification No 03/2022 have mandated non-resident to issue Form 10F in electronic format duly verified in manner as prescribed in Notification. This requirement is applicable if prescribed information is not contained in Tax Residence Certificate. Accordingly, furnishing of Form 10F in any other format will not be considered valid. The Company will apply at its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to non-resident members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident members.

- 3) Where a member furnishes valid nil / lower withholding tax certificate under Section 195 / 197 of IT Act, withholding tax will be applied as per the rates prescribed in such certificate.

Please note: Members 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.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than **Tuesday, September 6, 2022**.

To summarise, dividend will be paid after deducting the tax at source as under:

- i) NIL for resident members receiving dividend upto Rs. 5000 or in case Form 15G / 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- ii) 10% for resident members in case copy of PAN card is provided / available.
- iii) 20% for resident members, if copy of PAN card is not provided / not available / invalid / inoperative / specified person as per Section 206AB of IT Act.
- iv) Tax will be assessed on the basis of documents submitted by the non-resident members.
- v) 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- vi) Lower / Nil TDS on submission of self-attested copy of the certificate issued under Section 197 of IT Act.

Please note that the aforementioned documents should be uploaded with Company's RTA at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. No communication on the tax determination / deduction shall be entertained after **September 6, 2022**.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. 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 member(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.

Members, whose valid PAN is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/>.

Updation of PAN, Email address and other details:

All the members are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their DPs, if the shareholding is in demat form or with the Company's RTA, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "the Depositories"), in case of shares held in demat mode and from the RTA, in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Updation of Bank Account for payment of Dividend:

While on the subject, we request you to submit / update your bank account details with your DP, in case you are holding shares in electronic form. In case your shareholding is in 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 the Company's RTA, M/s. Link Intime India

Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Tel: +91-22-49186270, Email: rnt.helpdesk@linkintime.co.in. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank passbook statement, duly self-attested. In absence of bank account with requisite particulars, the dividend warrants will be posted to you.

We seek your co-operation in the matter.

Yours faithfully,

For **The Phoenix Mills Limited**

Sd/-

Gajendra Mewara

Company Secretary

View / download:

Annexure "1" (Form 15G) [click here](#)

Annexure "2" (Form 15H) [click here](#)

Annexure "3" (TDS declaration format under Rule 37BA) [click here](#)

Annexure "4" (Declaration regarding Tax Residency) [click here](#)

Appendix "A" for Rule 37BA [click here](#)

The above forms are also available on the Company's website: www.thephoenixmills.com

Note: This is a system-generated e-mail. Please do not reply to this e-mail.