Note on Tax Deducted at Source (TDS) on Dividend under the Income Tax Act, 2025 (“the Act”) applicable w.e.f. 1st April 2026

A. Resident Shareholders: -

Type of Shareholder	TDS (Rate) on Dividend
Resident Individual Shareholder receiving aggregate dividend upto Rs. 10,000/- during the financial year [As per Section 393(4) of the Act (Table for no deduction at source Sl. No. 10)]	Nil
Resident Individual Shareholder who provides a declaration for receipt of dividend without deduction of taxes under section 393(6) of the Act in Form 121 read with Rule 211 of the Income Tax Rules, 2026	Nil
Resident Shareholder (in case PAN is provided/ available) receiving aggregate dividend exceeding Rs. 10,000/- during the financial year [As per Section 393(1) of the Act (Table: Sl. No. 7)]	10%
Resident Shareholder receiving dividend where PAN is not furnished/unavailable, or is invalid/inoperative [Section 393(1) read with Section 397(2) of the Act]	20%

B. Non-Resident Shareholders:-

- For non-resident shareholders, the rate of withholding tax is @20% (plus applicable Surcharge and Cess @4%) as per Section 393(2) of the Act (Table Sl. No. 15 & 17). However, where a non-resident shareholder is eligible to claim the tax treaty benefit, and the tax rate provided in the respective tax treaty is beneficial to the shareholder, then the rate as per the tax treaty would be applied. In order to avail tax treaty benefits, non-resident shareholders would be required to submit **ALL the below** documents:

  - Tax Residency Certificate (TRC) for the year in which the dividend is received *(to be obtained from the Revenue / Tax authorities of the country of which the shareholder is resident)*;
  - Self-declaration in Form 41 *(mandated to issue electronically/ online on the income tax portal)*;
  - Self-attested copy of PAN;
  - Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits; and

- In case of Foreign Institutional Investors ("FIIs") and Foreign Portfolio Investors ("FPIs") , a copy of SEBI registration certificate.
- In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or self-declaration for non-applicability of Article 24 – Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement.

Please note that the Company is not obligated to apply the beneficial tax treaty rate at the time of deduction/withholding of tax on the dividend. The application of the beneficial treaty tax rate shall be subject to the receipt of all requisite documents from the non-resident shareholder and the Company's review and satisfaction as to the completeness and validity of such documents. If the documents are not provided or are insufficient to apply the beneficial tax treaty rates, then tax will be deducted @20% (plus applicable Surcharge and Cess @4%).

Applicability of TDS Rates on Non-Resident Shareholders (including FIIs/ FPIs) subject to applicable DTAA rates

✓ TDS rates for Non-resident Individuals, HUF, AOP, BOI (including FIIs/ FPIs other than Companies/ Firms):-

Dividend amount	Basic	Surcharge	Cess	Effective TDS Rate
Upto Rs. 50 Lakhs	20%	Nil	4%	20.8%
Above Rs. 50 Lakhs but not exceeding Rs. 1 Crore	20%	10%	4%	22.88%
Above Rs. 1 Crore	20%	15%	4%	23.92%

✓ TDS rates for Non-resident Companies (including FIIs/ FPIs being companies):-

Dividend amount	Basic	Surcharge	Cess	Effective TDS Rate
Upto Rs. 1 Crore	20%	Nil	4%	20.8%
Above Rs. 1 Crore but not exceeding Rs. 10 Crores	20%	2%	4%	21.216%
Above Rs. 10 Crores	20%	5%	4%	21.84%

✓ TDS rates for Non-resident Firms (including FIIs/ FPIs being firms):-

Dividend amount	Basic	Surcharge	Cess	Effective TDS Rate
Upto Rs. 1 Crore	20%	Nil	4%	20.8%
Above Rs. 1 Crores	20%	12%	4%	23.296%

➢ Dividend payable to "Specified Fund" as mentioned under Schedule VI [Note 1(g)]:- In case the dividend is paid to a "specified fund" referred to in Schedule VI [Note 1(g)] of the Income-tax Act, 2025, tax shall be deducted at source @ 10% under Section 393(2) of the Act (Table Sl. No. 16), subject to the condition that the shareholder is required to furnish a self-declaration confirming that it qualifies as a “specified fund” under Schedule VI [Note 1(g)], along with a self-attested copy of its valid PAN, registration certificate and such other supporting documents/certificate as may be applicable to substantiate its status as a specified fund.

- TDS @30% will be applicable on dividend payable to Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined under section 176(1) of the Act.

Rule 203 of the Income Tax Rules, 2026

As per Rule 203 of the Income-tax Rules, 2026, where shares are held through an intermediary/stockbroker, and TDS is required to be deducted in the PAN of the beneficial shareholder, the intermediary/stockbroker will be required to provide the Company with the details of the beneficial shareholder along with a self-declaration confirming that the shareholder is the beneficial owner of the shares. Based on such information and declaration, TDS will be deducted and credited against the PAN of the beneficial shareholder.

C. NIL/ Lower tax will be deducted on dividend payable to the following categories of shareholders, on submission of requisite documents:-

- Insurance companies: No TDS is required to be deducted as per Section 393(4) (Table Sl. No.10) of the Act subject to the submission of documentary evidence to prove that the Insurance company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card.

- Mutual Funds: No TDS is required to be deducted as per Section 393(5)(d) of the Act subject to the submission of documentary evidence to prove that the mutual fund is a specified mutual fund and is eligible for exemption under Section 11(3) of the Act read with Schedule-VII (Table Sl. No. 20 & 21), along with self-attested copy of the registration documents and PAN card.

- Alternative Investment Fund (AIF) established in India: No TDS is required to be deducted subject to submission of documentary evidence to prove that AIF is a fund eligible for exemption under section 11(1) of the Act read with Schedule-V (Table Sl. No.1) and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self- attested registration documents and PAN card should also be provided.

- Recognised Provident Funds: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Income Tax Act, 1961, or self-attested valid documentary evidence (for e.g. relevant copy of registrations, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 needs to be submitted.

- Approved Superannuation fund: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Income Tax Act, 1961 needs to be submitted.

- Approved Gratuity Fund: No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Income Tax Act, 1961 needs to be submitted.

- National Pension System (NPS) Trust: No TDS is required to be deducted as per section 393(9) of the Act read with Schedule-VII (Table Sl. No. 41) subject to the submission of self- attested copy of registration certificate/ declaration that you qualify as NPS Trust for the purpose of section 393(9) of the Act, and that your income is eligible for exemption.

- Business Trust: No TDS is required to be deducted as per Section 393(4) of the Act (Table Sl. No. 10) subject to the submission of self-declaration that the person is a “business trust” as defined in section 2(21) of the Act, in respect of any securities, by a special purpose vehicle referred to in Schedule V (Table Sl. No. 3).

- Dividend payable to Government, Reserve Bank of India or certain other corporations: No TDS is required to be deducted on dividend payable to the persons as specified in Section 393(5) of the Act.

- No TDS is required to be deducted on dividend payable to shareholders who have provided a valid certificate issued under section 395 of the Act for lower / Nil rate of deduction or an exemption certificate issued by the Income Tax authorities.

- Any other person/Authorities/Funds/Bodies etc., falling under exemption of any other provisions or notification, order, circular etc.: A copy of the said provisions or notification, order, circular etc.; copy of self-declaration that the person is covered that in that provisions or notification, order, circular etc.; a self-attested copy of PAN and relevant certificate obtained in this regard.

It may further be noted that, where tax on dividend is deducted at a higher rate due to non-receipt of the requisite documents from the shareholder, the shareholder may claim a refund of the excess tax deducted, if eligible, by filing its return of income. However, no claim shall lie against the Company for such taxes deducted.

Disclaimer:-
The above communication on TDS provisions on Dividend sets out the provisions of law in a summary manner only, as on the date of the communication and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders/ Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

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