



## PNC INFRA TECH LIMITED

CIN: L45201DL1999PLC195937

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### **COMMUNICATION ON DEDUCTION OF TAX AT SOURCE ON DIVIDEND**

The Board of Directors of PNC Infratech Limited (hereinafter referred to as ‘PNC’ or ‘the Company’), at its Meeting held on Friday, May 24, 2024, have recommended a Final Dividend of Rs. 0.60/- (Rupee Sixty Paise only) per Equity Share having face value of Rs. 2/- each for the Financial Year (‘FY’) ended March 31, 2024, subject to the approval of the shareholders.

In accordance with the provisions of the Income Tax Act, 1961 (‘the Act’), the dividend declared and paid by the Company is taxable in the hands of shareholders. The Company shall, therefore, be required to deduct Tax at Source (‘TDS’) at the applicable rates on the dividend paid to its shareholders. The TDS rate would vary depending on the category and residential status of the shareholder and the documents submitted and duly accepted by the Company.

The documents as applicable to each category of shareholder (mentioned below) have to be uploaded on the portal of Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Monday, September 30, 2024 at 11:30 A.M (IST).

The Company have furnished below applicable TDS rate for dividend in respect of each category of shareholders and documentation to be furnished, wherever applicable.

#### **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’) 2024-25 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 2024-25)**

S. No.	Particulars	Withholding Tax 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	PAN of the shareholder is not linked with Aadhar as required under section 139AA	20%  (In accordance with Rule 114AAA of the Income Tax Rules, 1962)	N.A.
4	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"> <li>• Copy of PAN card; and</li> <li>• Copy of lower tax withholding certificate obtained from Income Tax Department</li> </ul>

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"> <li>• Copy of PAN card</li> <li>• 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 <b>Annexure A</b> for format of Form 15G and <b>Annexure B</b> for format of Form 15H.</li> </ul>
2	Mutual Funds specified under Section 10(23D) of the Act	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN;</li> <li>• A self- declaration in the format as prescribed in <b>Annexure C</b>; and</li> <li>• Registration/ exemption certificate substantiating applicability of section 196/ 10(23D) of the Act.</li> </ul>
3	Insurance Companies: Public and other insurance companies	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN;</li> <li>• A self- declaration in the format as prescribed in <b>Annexure D</b>; and</li> <li>• Registration/ exemption certificate substantiating applicability of section 194 of the Act.</li> </ul>
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"> <li>• Self-attested copy of PAN, wherever applicable;</li> <li>• Self- declaration in the format prescribed in <b>Annexure E</b>; and</li> <li>• Registration/ exemption certificate substantiating applicability of section 196 of the Act.</li> </ul>
5	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration in the format prescribed in <b>Annexure E</b> 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,</li> <li>• Copy of registration certificate.</li> </ul>
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"> <li>• A self- declaration in the format as prescribed in <b>Annexure E</b> (except for individual Sikkimese resident)</li> <li>• Submit declaration in <b>Annexure F</b> in case of individual Sikkimese resident</li> <li>• Adequate documentary evidence, substantiating the type of the entity.</li> </ul>

**B. NON-RESIDENT SHAREHOLDERS:**

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

S. No.	Particulars	Withholding tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	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"><li>• Copy of Indian Tax Identification number ('PAN'). In case PAN not available, details specified in <b>Annexure G</b> to be provided;</li><li>• Tax Residency Certificate (TRC)^ obtained from the tax authorities of the country of which the shareholder is a resident, valid for Financial Year ('FY') 2024-25 (covering the period from 01 April 2024 to 31 March 2025);</li><li>• Form 10F^^ duly filled and signed as specified in <b>Annexure H</b>;</li><li>• Self-declaration for FY 2024-25 (covering the period from 01 April 2024 to 31 March 2025) in the format as specified in <b>Annexure I</b> on shareholder's letterhead, primarily (not exclusive list) covering the following:<ul style="list-style-type: none"><li>a) Non-resident is eligible to claim the benefit of respective tax treaty</li><li>b) Non-resident receiving the dividend income is the beneficial owner of such income</li><li>c) Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.</li></ul></li></ul>
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"><li>• Document evidencing the applicability of section 10(23FE) of the Act</li><li>• Self-declaration in the format as prescribed in <b>Annexure J</b> that the conditions specified in section 10(23FE) have been complied with</li></ul>
3	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	<ul style="list-style-type: none"><li>• Self-declaration in the format as prescribed in <b>Annexure J</b> that the conditions specified in section 10(23FE) have been complied with</li></ul>
4	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess) #	<ul style="list-style-type: none"><li>• NA</li></ul>

S. No.	Particulars	Withholding tax rate	Declaration / documents required
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"> <li>• Copy of Indian Tax Identification number ('PAN'). In case PAN not available, details specified in <b>Annexure G</b> to be provided;</li> <li>• Tax Residency Certificate (TRC)^ obtained from the tax authorities of the country of which the shareholder is a resident, valid for Financial Year ('FY') 2024-25 (covering the period from 01 April 2024 to 31 March 2025);</li> <li>• Form 10F^^ duly filled and signed as specified in <b>Annexure H</b>;</li> <li>• Self-declaration for FY 2024-25 (covering the period from 01 April 2024 to 31 March 2025) in the format as specified in <b>Annexure I</b> on shareholder's letterhead, primarily (not exclusive list) covering the following: <ul style="list-style-type: none"> <li>(a) Non-resident is eligible to claim the benefit of respective tax treaty</li> <li>(b) Non-resident receiving the dividend income is the beneficial owner of such income</li> <li>(c) Dividend income is not attributable/ effectively connected to any Permanent Establishment (PE) or Fixed Base in India.</li> </ul> </li> </ul>
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	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 and submit the copy of the same to the Company (refer **Annexure H** for a redacted version of an electronically filed Form 10F).

\*\* 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) If the dividend income is taxable in the hands of any person other than the recipient of the dividend, then the requisite details by way of a declaration in **Annexure K** should be communicated to the RTA on or before **Monday, September 30, 2024 at 11:30 A.M (IST)**.
- (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) Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant as on the Record Date, 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.
- (iv) 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.
- (v) 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.
- (vi) Further, if the PAN is not as per the database of the Income-tax Portal, it would be considered an invalid PAN.
- (vii) 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 206AA<sup>1</sup> and 206AB are applicable i.e., the specified person has not submitted the 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 Rs. 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".

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.

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

- (viii) 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.
- (ix) 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.
- (x) Shareholders 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/iec/foportal/>
- (xi) 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.
- (xii) 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.