

October 20, 2023

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Sub: E-mail communication sent to shareholders regarding Tax Deduction at Source (TDS) on dividend distribution during FY2023-24

Ref: NSE Symbol - ISEC and BSE Scrip Code - 541179

We have sent the enclosed communication regarding Tax Deduction at Source (TDS) on dividend distribution during FY2023-24 to the shareholders whose e-mail addresses are registered with the Company/Registrar & Transfer Agent/Depositories at 4:56 p.m. today.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For ICICI Securities Limited

Rupesh Jadhav
Chief Manager

Encl.: As above

Member of National Stock Exchange of India Ltd, BSE Ltd and Multi Commodity Exchange of India Ltd.
SEBI Registration: INZ000183631
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited

Registered Office:
ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025, India
Tel. (91 22) 6807 7100
Fax (91 22) 6807 7803

Corporate Office :
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C., Turbhe, Navi Mumbai - 400 705
Tel.: (91 22) 6807 7100
Fax: (91 22) 6807 7801

Name of Compliance Officer (Broking Operations) : Ms. Mamta Shetty
Email Address: complianceofficer@icicisecurities.com / Tel. (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com





ICICI SECURITIES LIMITED

CIN: L67120MH1995PLC086241

Registered Office: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025

Tel.: 91 22 6807 7100; **Fax:** 91 22 6807 7803

Website: www.icicisecurities.com; **E-mail:** investors@icicisecurities.com

October 20, 2023

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION DURING FY 2023-24

Ref: Folio No./DP Id & Client Id No.: -----

Name of the Shareholder: -----

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on October 16, 2023, has approved the payment of interim dividend of Rupees 12/- (Rupees Twelve Only) per equity share of face value of Rs. 5/- each. The said dividend will be paid to those shareholders who hold shares:

- I. In dematerialised mode, based on the beneficial ownership details to be received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Friday, October 27, 2023.
- II. In physical mode, if their names appear in the Company's Register of Members at the close of business hours on Friday, October 27, 2023.

As you may be aware as per the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of the said interim Dividend on or before November 15, 2023.

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

• For Resident Shareholders:

- III. Where, the Permanent Account Number (PAN) is available and is valid,
 - i. Tax shall be deducted at source u/s 194 of the Act at the rate of 10% on the amount of dividend payable.

TDS shall be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if a valid certificate is provided.

- ii. No tax shall be deducted in the case of a resident individual shareholder, if:
 - 1. The aggregate amount of dividend paid or likely to be paid during the financial year 2023-24 does not exceed INR 5,000; OR
 - 2. The shareholder provides duly filled and signed Form 15G attached as **Annexure A** (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H attached as **Annexure B** (for individuals above the age of 60 years with no tax liability on total income) provided that all the prescribed eligibility conditions are met.

IV. Where the PAN is either not available or is invalid, tax shall be deducted u/s 206AA of the Act at the rate of 20% on the amount of dividend.

V. In case PAN is not linked with Aadhaar in accordance with the provisions laid down under section 139AA of the IT Act, then such PAN shall deem to be inoperative and TDS will be deducted at higher rate as per section 206AA of the IT Act.

The Company will be using online functionality of the Income-tax department for the above purpose and no claim shall lie against the Company for such tax deduction. The Company shall not rely on any declaration in relation to non-applicability of provisions of section 206AA of the IT Act.

VI. In case of Mutual Fund specified u/s 10(23D) of Act, no TDS shall be deducted as per section 196(iv) of the Act. Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and SEBI registration certificate needs to be submitted.

VII. In case of Insurance companies, no TDS shall be deducted under section 194 of the Act. Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested copy of PAN card and copy of registration certification issued by the IRDAI needs to be submitted.

VIII. In case of Alternative Investment Fund (AIF) specified u/s 10(23FBA) established in India, no TDS shall be deducted under section 194 of the Act subject to specified conditions. Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of PAN card and SEBI registration certificate needs to be submitted.

IX. Any other entity entitled to exemption from TDS, valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

- **For Non-resident Shareholders (Including Foreign Institutional Investors and Foreign Portfolio Investors):**

X. Tax shall be deducted in accordance with the provision of section 195 and 196D of the Act at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.

- XI. As per the provisions of the Income Tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to them (Declaration format attached as **Annexure C**).

For this purpose, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities
- ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for FY 2023-24
- iii. Self-declaration in Form 10F generated from income tax e-filing portal. As per Notification No. 3/2022 dated 16 July 2022, non-residents claiming benefits of Double Taxation Avoidance Agreements (DTAA) are mandatorily required to generate acknowledged Form 10F from Income tax e-filing portal. Income-tax e-portal has enabled registration of account by "Non-Residents not holding and not required to have PAN" and thus provided the facility to such non-resident not having PAN and not required to have PAN for generation of electronic form 10F. Accordingly, non residents claiming benefits of DTAA are mandatorily required to generated Form 10F from Income tax e-fling portal.
- iv. Self-declaration of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits

TDS shall be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if valid certificate is provided.

- XII. Any other entity entitled to exemption from TDS, valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

Application of beneficial DTAA Rate, if any, shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

- **Section 206AB of the Act (Introduced by Finance Act 2021) in case of 'specified person':**

Rate of TDS u/s 194/195/196D of the Act is subject to provisions of Section 206AB of the Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as 'Specified Persons'). Under section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified person:

- 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%.

'Specified person' as defined under section 206AB (3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for previous year immediately prior to the previous year in which tax is required to be deducted and 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 TCS in whose case is Rs. 50,000 or more in previous year immediately prior to the previous year in which tax is required to be deducted

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a 'specified person'. Hence, non-resident shareholders are request to provide declaration attached as '**Annexure D**'

The Company would rely on the online functionality of the Income tax Department to check the status of specified person and shall accordingly determine the applicable TDS rate.

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

- I. NIL for resident shareholders receiving dividend up to Rs. 5,000/- or in case duly filled and signed Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- II. 10% for other resident shareholders in case copy of PAN card is provided/available and valid.
- III. 20% for resident shareholders if copy of PAN card is not provided / not available/not valid.
- IV. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- V. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- VI. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under section 197 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules. Please refer **Annexure - E**.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the company for such taxes deducted.

- **Updation of PAN, email address and other details:**

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the company's registrar and share transfer agent i.e. KFin Technologies Limited. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be accepted for revision of TDS return.

- **Update of Bank account details:**

We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. 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 pass-book statement, duly self-attested.

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 October 27, 2023.

Kindly note that the aforementioned documents are required to be sent through registered email of the member with PAN being mentioned in the subject of the email to inward.ris@kfintech.com or upload at <https://ris.kfintech.com/form15/> on or before October 27, 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Company shall consider the documents on the tax determination/deduction received on or before October 27, 2023 only.

We shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend and filing of TDS returns.

The above communication on TDS sets out the provisions of law in a summary manner only and does not support to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances. For the abovementioned forms and declarations shareholders may visit <https://ris.kfintech.com/form15/>

Please let us know in case any clarification is required.

[Click here](#) to download - Annexure A Form 15G

[Click here](#) to download - Annexure B - Form 15H

[Click here](#) to download - Annexure C- Declaration for claiming treaty benefit

[Click here](#) to download - Annexure D - No PE declaration for compliance us 206AB

[Click here](#) to download - Annexure E- Declaration under rule 37BA

Kind Regards

Investor Relations

ICICI Securities Limited