



June 5, 2024

BSE Limited  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Bldg., P. J. Towers  
Dalal Street, Fort  
Mumbai – 400 001.  
Scrip Code: **500400**

National Stock Exchange of India Limited  
Limited Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai – 400 051.  
Symbol: **TATAPOWER**

Dear Sir/Madam,

**Sub: Communication to Shareholders - Intimation of Tax Deduction on Dividend**

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the Shareholders.

In this regard, please find enclosed herewith an e-mail communication which has been sent to all the shareholders of the Company whose e-mail IDs are registered with the Company/Depositories, explaining the process on withholding tax from dividends paid to the Shareholders at prescribed rates, as may be applicable.

This communication is also being made available on the website of the Company at <https://www.tatapower.com/investors/tds-on-dividend.aspx>

This is for your information and records.

Yours Sincerely,  
For **The Tata Power Company Limited**

Vispi S. Patel  
**Company Secretary**  
FCS 7021

Encl: As above

**TATA POWER**

**The Tata Power Company Limited**

Registered Office Bombay House 24 Homi Mody Street Mumbai 400 001

Tel 91 22 6665 8282

Website : [www.tatapower.com](http://www.tatapower.com) Email : [tatapower@tatapower.com](mailto:tatapower@tatapower.com) CIN : L28920MH1919PLC000567



**THE TATA POWER COMPANY LIMITED**

Corporate Identity No. (CIN): L28920MH1919PLC000567

**Registered Office:** Bombay House, 24, Homi Mody Street, Mumbai 400 001.

**Tel:** +91 22 6665 8282; **Email:** [tatapower@tatapower.com](mailto:tatapower@tatapower.com); **Website:** [www.tatapower.com](http://www.tatapower.com)

Date: June 4, 2024

**THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company had at its meeting held on May 8, 2024, recommended a dividend of Rs. 2 per Equity Share of Re. 1 each (200%), for the financial year ended March 31, 2024 subject to the approval of the Shareholders of the Company at its forthcoming Annual General Meeting ('AGM') scheduled to be held on Tuesday, July 16, 2024. The record date fixed for determining the eligibility of Members for payment of dividend is Thursday, July 4, 2024. The final dividend would be paid to the eligible Shareholders on or after July 18, 2024, if approved.

Pursuant to the provisions of the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of the Shareholders. The Company shall, therefore, be required to deduct tax at source at the time of making the payment of the dividend, if approved by the Shareholders at the forthcoming AGM.

This communication provides a brief of the applicable Tax Deduction at Source ('TDS') provisions under the Act for Resident and Non-Resident Shareholder categories.

**I. For Resident Shareholders**

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where Shareholders have registered their valid Permanent Account Number (PAN). In case, Shareholders do not have PAN/invalid PAN/PAN not linked with Aadhaar/not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

**a. *Resident Individuals***

No tax shall be deducted on dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during the Financial Year (FY) 2024-25 does not exceed Rs. 5,000; or
- ii. The Shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form, if it does not fulfil the prescribed requirement under the Act. Click here to access [Form 15G](#) and [Form 15H](#), respectively.

Form 15G/H needs to be furnished only if dividend amount exceeds Rs. 5,000. Considering that the Company has declared dividend of Rs. 2/- per share, need for submitting Forms 15G/H will arise only if your shareholding exceeds 2,500 shares.

- iii. Exemption certificate is issued by the Income-tax Department, if any.

## **b. Resident Non-Individuals**

No tax shall be deducted on dividend payable to the following resident non-individuals where they provide details and documents. Click here to access [Resident Tax Declaration](#):

- i. **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the equity shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ Life Insurance Corporation of India (LIC)/ General Insurance Corporation of India (GIC).
- ii. **Mutual Funds:** Self-declaration that it is registered with Securities and Exchange Board of India (SEBI) and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **National Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS Trust and income is eligible for exemption under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- v. **Other Non-Individual Shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

In case Resident Shareholders provide certificate under Section 197 of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy to the Company.

## **II. For Non-resident Shareholders**

### **a. As per Domestic Tax Law**

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident Shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

### **b. As per Double Tax Avoidance Agreement (DTAA)**

As per Section 90 of the 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 they are more beneficial to them. For this purpose, i.e. to avail DTAA benefit, the non-resident Shareholders are required to submit 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) (financial year April 1, 2024 to March 31, 2025) obtained from the tax authorities of the country of which the Shareholder is a resident.
- iii. Digital Form 10F can be downloaded from <https://eportal.incometax.gov.in/>
- iv. Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (financial year April 1, 2024 to March 31, 2025). Click here to access [Non-Resident Tax Declaration](#) (Required only where Tax treaty benefit needs to be availed).
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- vi. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

It is recommended that Shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction /withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident Shareholder.

**c. Global Depository Receipt ('GDR') Holders**

In case of GDR holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the Act, only if they provide self-attested copy of the PAN Card. In case, no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned, above, on or before **Saturday, June 29, 2024 (cut off period)**. Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

**PAYMENT OF DIVIDEND**

The dividend on Equity Shares for FY 2023-24, once approved by the Shareholders of the Company at the AGM, will be paid after deducting the tax at source as under. The following provisions under the Act will also be considered to determine the applicable TDS rate:

**a. TDS to be deducted at higher rate in case of non-filers of Return of Income**

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/credited to specified person:

- At twice the rate specified in the relevant provision of the Act; or
- At twice the rates or rates in force; or
- At the rate of 5%

The non-resident who does not have the permanent establishment and resident who is not required to file a return under Section 139 of the Act are excluded from the scope of a specified person.

As directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of specified person for the purpose of Section 206AB of the Act.

**b. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar**

As per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/help/e-filing-link-aadhaar-faq> for FAQ issued by Government on PAN Aadhaar linking.

**c. Declaration under Rule 37BA**

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.

**d. For Shareholders having multiple accounts under different status / category**

Shareholders holding Equity 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 held under a PAN will be considered on their entire holding in different accounts.

## **SUBMISSION OF TAX RELATED DOCUMENTS:**

The documents such as Form 15G/ 15H, documents under Sections 196, 197A, etc. can be uploaded on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **Saturday, June 29, 2024** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post Saturday, June 29, 2024 shall not be considered.**

Shareholders can send the other documents at the following email IDs:

<b>Resident Shareholders</b>	<a href="mailto:Csg2exemptforms2425@linkintime.co.in">Csg2exemptforms2425@linkintime.co.in</a>
<b>Non-Resident Shareholders</b>	<a href="mailto:dividend@tatapower.com">dividend@tatapower.com</a>

Documents sent to any other email ID may lead to non-submission of documents and attract TDS as per the provisions of the Act.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometax.gov.in/iec/foportal/>

## **UPDATION OF BANK ACCOUNT DETAILS:**

Shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts. We seek your cooperation in this regard.

Shareholders holding shares in physical folios are requested to take note that SEBI vide circular dated November 17, 2023 has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details to mitigate unintended challenges on account of freezing of folio. Further, SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that with effect from April 1, 2024, dividend to Shareholders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature to Registrar and transfer Agent.

Thanking-you,

Yours Sincerely,  
**For The Tata Power Company Limited**

Sd/-  
**Vispi S. Patel**  
**Company Secretary**  
**FCS No. 7021**

*Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional*

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