

31st August 2024

National Stock Exchange of India Limited
Manager – Listing Department
5, Exchange Plaza
Bandra-Kurla Complex
Bandra (East),
Mumbai 400051
Scrip Code: FINPIPE

BSE Limited
Manager – Listing Department
Registered Office: Floor 25
P.J.Towers
Dalal Street
Mumbai 400 001
Scrip Code: FINOLEXIND

Sub: Communication to Shareholders on Tax Deduction at Source

Dear Sir/ Madam,

As informed earlier, the Board of Directors of the Company at its meeting held on Friday, 10th May 2024, has recommended final dividend of Rs.2.50/- per equity share of face value of Rs.2/- each, for the financial year ended on 31st March, 2024, subject to approval of shareholders at the 43rd (Forty-Third) Annual General Meeting of the Company.

Pursuant to the provisions of Income Tax Act, 1961 as amended from time to time, the above said dividend for the financial year 2023-24 to be paid or distributed by the Company in the financial year 2024-25 shall be taxable in the hands of the shareholders, as prescribed therein.

In this regard, please find enclosed herewith specimen copy of e-mail communication made to the shareholders in respect of whom the Company is liable to deduct Tax on dividend and having their e-mail address registered with the Company / Depositories elaborating the process to be followed along with the necessary Annexures, in respect of the applicability of tax deduction and formalities to be complied by the shareholders to ensure appropriate deduction of tax on the dividend payable, as applicable.

You are requested to kindly take note of the same and disseminate appropriately.

Thanking you,

Yours truly,

For **Finolex Industries Limited**

Dakshinamurthy Iyer

Company Secretary & Compliance Officer
M. No.: A13004

Encl.: As above

Corporate Office

Finolex Industries Limited
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S. No. 134, Hissa No. 1/38,
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FINOLEX INDUSTRIES LIMITED

(CIN-L40108PN1981PLC024153)

Registered Office: Gat No.399, Village Urse, Taluka Maval, District Pune 410506.

E-mail: investors@finolexind.com **website:** www.finolexpipes.com

Telephone No.: +91 20-27408200

30th August 2024

Ref: Folio Number / DP ID & Client ID Number:

Name :

Dear Shareholder,

Sub: Communication on Tax Deduction at Source (TDS) on dividend

We are pleased to inform you that the Board of Directors of the Company at their meeting held on May 10, 2024 recommended a final dividend of Rs. 2.50 (Rupees Two and Fifty Paise Only) per equity share of Rs. 2/- (Rupees Two) each for the Financial Year ended March 31, 2024, subject to the approval of the members at the ensuing Annual General Meeting ('AGM') of the Company scheduled on **Wednesday, September 18, 2024 at 4.00 p.m. (IST)** through Video Conferencing/Other Audio Visual Means. The Company has fixed Tuesday, September 10, 2024, as the 'Record Date' for determining entitlement of members to final dividend. The final dividend, if approved by the members at the AGM, would be paid subject to deduction of tax at source.

Pursuant to the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, it is mandatory to furnish PAN, KYC Details (including email, mobile number, and bank account details) and Nomination in respect of physical folios. Kindly ensure these details are updated with the Company's Registrar and Transfer Agent (RTA) to avail uninterrupted service request and dividend credit in your bank account, as no dividend will be paid to physical shareholders by way of issuance of physical warrant with effect from April 1, 2024.

As you are aware, as per the Income Tax Act, 1961 (the 'Act') and the Rules framed thereunder, as amended, dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of final dividend as per the categories mentioned below:

A. For Resident Shareholders, taxes shall be deducted at source under Section 194 of the Act @ 10% on the amount of dividend, where shareholders have registered their Permanent Account Number (PAN) with Depositories (for shares held in demat form) or with the Company/Kfin Technologies Limited, the Registrar & Transfer Agent of the Company (RTA) (for shares held in physical form). Kindly note that the tax shall be deducted @20% in the following cases:

- shareholders who do not have PAN or have not registered their valid PAN as mentioned above;
- shareholders appear as specified person in section 206AB compliance utility;
- shareholder's PAN is not linked with Aadhaar.

i. Resident Individuals:

No tax shall be deducted on the dividend payable to a resident individual if:

- a. Total dividend amount to be received by them during the Financial Year (FY) 2024-25 does not exceed Rs 5,000; or
- b. The Shareholder provides duly filled 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 and the

form is complete in all respects. Incomplete forms will be rejected. **Formats of Form 15G and Form 15H are enclosed herewith as Annexure-A and Annexure-B, respectively.** Please note that PAN is mandatory for providing 15G/15H forms.

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

ii. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to **resident non-individuals viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, New Pension System (NPS) Trust, Government (Central/State Government) etc.**, where they provide the details and documents as per Annexure - 1 (Self-Declaration) [Download from link provided hereunder].

B. For Non-Resident Shareholders/ Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII)

Taxes shall be deducted at source under Section 196D of the Act, @20% on the amount of dividend payable. 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. Taxes may be deducted as per beneficial rate of the relevant Double Tax Avoidance Agreement (Treaty) between India and the country of tax residence of non-resident shareholder as per Section 90(2) of the Act. For this purpose, following documents should be submitted:

- a. Self-attested copy of the PAN allotted by the Indian Income Tax authorities; In case, PAN is not available, the non-resident Shareholder shall furnish (a) name, (b) email ID, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country;
- b. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for FY 2024-25. 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;
- c. Electronic Form 10F (In case PAN is required to be obtained as per law) for FY 2024- 25 if all the details required in this form are not mentioned in the TRC;
- d. Self-declaration in Annexure - 2 (Download from link provided hereunder) by the non-resident shareholder for FY 2024-25;
- e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.

In case shareholder being tax resident of Singapore, request to furnish letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

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

The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the above-mentioned details and documents as applicable to you on or before **Wednesday, September 11, 2024**. The final dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found satisfactory.

The rate at which taxes are to be deducted at source based on the category of shareholders are mentioned hereunder:

Shareholder Category	Rate of TDS
Resident Shareholders (Individuals)	
Shareholders providing Form 15G/15H	NIL
If Dividend income < Rs. 5,000	NIL
If Dividend income > Rs. 5,000	10% in case where PAN is provided/available 20% , in other cases where PAN is not provided/not available/not linked to Aadhaar 20% , in case where shareholder appears as specified person in section 206AB compliance utility
Non - resident shareholders	
Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, New Pension System (NPS) Trust, Government (Central/State Government) etc.	NIL
Non - Resident shareholders	
Non-Resident Shareholders ([I]ncluding investments made under FPI/FII route)	20% or lower rate as mentioned in Tax Treaty, if the applicable details/documents are satisfactorily provided as aforementioned

Notes:

- i. All the above referred tax rates for non-resident shareholders shall be duly enhanced by the applicable surcharge and cess.
- ii. TDS to be deducted at higher rate in case of non-filers of Return of Income (Section 206AB): The Finance Act, 2021, has *inter alia* introduced special provisions vide Sections 206AB of the Act, which is effective from July 1, 2021. Accordingly, tax at higher of the following rates would be deducted from the amount paid/credited to 'specified person':
 - a. At twice the rate specified in the relevant provision of the Act; or
 - b. At twice the rate or rates in force; or
 - c. At the rate of 5%.

The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, notified the functionality for determining whether the shareholder is a 'Specified person' as per Section 206AB or not. The Company will be using functionality of the Income Tax department to determine the applicability of Section 206AB of the Act.

- iii. Shareholders may provide Nil/lower withholding tax certificate issued by the Income Tax department under Section 197 of the Act and valid for FY 2024-25. In such cases, TDS will be deductible as per the rates stated in the certificate.
- iv. In terms of Rule 37BA of 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 by the Rules. No declaration will be accepted after Company has filed its TDS return in accordance with due date prescribed by law.
- v. Please also note that in case the Shareholder has multiple accounts under different category/ status, then the higher rate of tax as applicable to the category/status shall be considered on his entire holding in different accounts.

- vi. As per Section 139AA of the Income Tax 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. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by the Government on PAN Aadhar linking.

Kindly note that the aforementioned documents are required to be submitted to our RTA at its dedicated weblink at <https://ris.kfintech.com/form15> or <https://ris.kfintech.com/clientservices/isc/> on or before **Wednesday, September 11, 2024, 5:00 p.m. (IST)** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate applicable. Kindly note that incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

No communication on the tax determination/deduction in respect of the final dividend shall be considered/entertained post Tuesday, September 11, 2024, 5:00 p.m. (IST). It may be further noted that in case the tax on said final dividend is deducted at a higher rate in 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 with the Tax Authorities and claim an appropriate refund, if eligible.

No claim shall lie against the Company for such taxes deducted. 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 at <https://www.incometax.gov.in/iec/foportal>

All communications/queries in this respect should be addressed and sent to our RTA at its email address: einward.ris@kfintech.com

Updation of Bank Account details:

To receive dividend amount directly in your bank account, 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 you are holding shares in physical form, you will have to send a scanned copy of the letter duly signed by the first shareholder, along with duly filled in and signed Form ISR 1, ISR 2 and SH13 with necessary attachments and a self-attested copy of your PAN card to email: einward.ris@kfintech.com from the registered email id or by sending post to Kfin Technologies Limited, Unit: Finolex Industries Limited, Selenium Building, Tower-B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

We seek your cooperation in this regard:

To view / download Form 15G (Annexure - A) [Click here](#).

To view / download Form 15H (Annexure - B) [Click here](#).

To view / download Resident Declaration-(Annexure-1) [Click here](#).

To view / download Non-Resident Declaration-(Annexure-2) [Click here](#).

Thanking you,

Yours faithfully,

For **Finolex Industries Limited**

Dakshinamurthy Iyer

Company Secretary & Compliance Officer

M. No.: A13004

Disclaimer: This Communication shall not be treated as an advice from the Company or its affiliates or RTA.

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