



12<sup>th</sup> July, 2022

The Manager - Listing  
BSE Limited  
BSE Code - 501455

The Manager – Listing  
National Stock Exchange of India Limited  
NSE Code - GREAVESCOT

Dear Sir/Madam,

**Sub: Communication to Shareholders - Intimation regarding deduction of tax at source on Dividend**

In terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend declared, paid and distributed by the Company with effect from 1<sup>st</sup> April, 2020, shall be 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 at prescribed rates.

This communication is also being made available on the website of the Company at <https://www.greavescotton.com/investors/corporate-announcements>.

This is for your information and records.

Thanking You,

Yours faithfully,  
For Greaves Cotton Limited

Atindra Basu  
General Counsel & Company Secretary

Encl.: a/a

**GREAVES COTTON LIMITED**

Email ID: [investorservices@greavescotton.com](mailto:investorservices@greavescotton.com) Website: [www.greavescotton.com](http://www.greavescotton.com)  
Registered Office: Unit No. 1A, 5th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai 400 070, India  
Tel: +91 22 41711700 CIN: L99999MH1922PLC000987



**Greaves Cotton Limited**

**Corporate Identity Number:** L99999MH1922PLC000987

**Registered Office:** Unit No. 1A, 5<sup>th</sup> Floor, Tower 3, Equinox Business Park,  
LBS Marg, Kurla (West), Mumbai 400 070; **Telephone:** +91 - 22 41711700;

**E-mail:** [investorservices@greavescotton.com](mailto:investorservices@greavescotton.com) ; **Website:** [www.greavescotton.com](http://www.greavescotton.com)

**Date:** 12<sup>th</sup> July, 2022

Dear Shareholder,

**Subject: Deduction of Tax at Source on Dividend**

We wish to inform you that the Board of Directors ("Board") of Greaves Cotton Limited ("the Company") have at their meeting held on 12<sup>th</sup> May, 2022 recommended a dividend of Rs. 0.20/- per equity share having face value of Rs. 2/- each for the financial year ended 31<sup>st</sup> March, 2022.

The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on the record date i.e. 4<sup>th</sup> August, 2022.

In terms of the provisions of the Income-tax Act, 1961 ("the Act"), dividend paid or distributed by a Company on or after 1<sup>st</sup> April, 2020 is taxable in the hands of its shareholders and therefore the Company is required to deduct income tax at source ("TDS") at the prescribed rates on the dividend paid to its shareholders.

The TDS will be based on the residential status of shareholders and the exemptions as enumerated in the Act subject to fulfilment of documentary requirement as explained herein below:

**> For Resident Shareholders**

Tax will be deducted at source under section 194 of the Act at the rate of 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year 2022-23 does not exceed Rs.5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to all individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met.

[Click Here](#) to fill the form 15G and [Click Here](#) to fill form 15H electronically.

Needless to mention, valid Permanent Account Number ("PAN") will be mandatorily required and in absence of PAN, TDS will be deducted at higher rates as per section 206AA of the Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of section 206AA in your case.

NIL/lower tax shall be deducted on the dividend payable to following resident shareholders on submission of documents as listed below:

Particulars	Applicable Tax Rates	Documents required
Insurance Companies	Nil	<ul style="list-style-type: none"> <li>• Declaration (refer format) by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938;</li> <li>• Self-attested copy of IRDA registration certificate; and</li> <li>• Self-attested copy of PAN</li> </ul>
Mutual Funds	Nil	<ul style="list-style-type: none"> <li>• Declaration (refer format) by Mutual Fund shareholder eligible for exemption under section 10(23D) of the Act;</li> <li>• Self-attested copies of registration documents; and</li> <li>• Self-attested copy of PAN</li> </ul>
Alternative Investment Fund (AIF) established in India	Nil	<ul style="list-style-type: none"> <li>• Declaration (refer format) that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations;</li> <li>• Self-attested copies of registration documents; and</li> <li>• Self-attested copy of PAN</li> </ul>
New Pension System Trust	Nil	<ul style="list-style-type: none"> <li>• Declaration (refer format) that the shareholder is eligible for exemption under section 10(44) of the Act;</li> <li>• Self-attested copies of registration documents; and</li> <li>• Self-attested copy of PAN</li> </ul>
Other Shareholders	Nil	<ul style="list-style-type: none"> <li>• Declaration (refer format) that the shareholder is eligible for exemption;</li> <li>• Self-attested copies of documentary evidence</li> </ul>

		supporting the exemption; and <ul style="list-style-type: none"> <li>• Self-attested copy of PAN</li> </ul>
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- Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities, shall be considered on submission of self-attested copy of the same along with Declaration (refer format).

[Click Here](#) to download - Self Declaration (Resident Shareholder).

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident shareholders, by the Company.

**> For Non-Resident Shareholders including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs)**

Tax is required to be withheld in accordance with the provisions of section 195 and section 196D of the Act at applicable rates in force. 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.

However, as per section 90 of the Act, a non-resident shareholder (including FIIs and FPIs) has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, if any, 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.
- iii. Self-declaration in Form 10F (refer format), if all the details required in this form are not mentioned in the TRC.
- iv. Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the Act).
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested 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 evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement.

[Click Here](#) to download - Form 10F

[Click Here](#) to download - Self Declaration (Non-Resident Shareholder)

[Click Here](#) to download - Declaration Rule 37BA

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts. The Company in its sole discretion reserves the right to call for any further information, if so required.

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.

➤ **Section 206AB of the Act**

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of the Act (effective from 1<sup>st</sup> 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 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 the income tax return for the last 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 /tax collected at source in his case is Rs.50,000 or more in the last previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

In order to identify such non-filers, Central Board of Direct Taxes ("CBDT") has introduced a new utility 'Compliance Check for section 206AB & 206CCA'. The Company will check for each of its shareholders as to whether they qualify as a specified person or not as per section 206AB of the Act. Based on the report generated from the government utility, the Company will apply higher withholding tax rate on such specified shareholders.

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 30<sup>th</sup> July, 2022.

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 (refer format) with Company in the manner prescribed by the Rules.

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.

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

- a. NIL for resident individual shareholders receiving dividend up to Rs. 5,000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of PAN is submitted.
- b. 10% for other resident shareholders if valid PAN number is provided.
- c. 20% for resident shareholders in case PAN is not provided / not available / not valid.
- d. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- e. 20% plus applicable surcharge and cess for non-resident shareholders (depending on the category) in case if exemptions documents or treaty documents are not submitted.
- f. Rate as per respective DTAA in a case where non-resident has furnished valid treaty documents or exemption documents.
- g. 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.

Tax deducted at source by the Company is final and **no claim shall lie against the Company for tax deducted at higher rate, for any reason, whatsoever.**

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(s), such shareholder(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

Kindly note that the aforementioned documents should be uploaded with the Company's Registrar and Share Transfer agent i.e. KFin Technologies Limited ("RTA") at [Click Here](#) to submit the Tax Exemption Forms online or emailed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). You can also email the same to [investorservices@greavesкотton.com](mailto:investorservices@greavesкотton.com). No communication on the tax determination / deduction shall be entertained after 30<sup>th</sup> July, 2022.

**> Updation of PAN, bank account, KYC, nomination and other details:**

Shareholders holding shares in dematerialized mode, are requested to submit/update their records such as tax residential status, PAN, registered email addresses, mobile numbers, bank account and other details with their relevant depositories through their depository participants. In case your shareholding is in physical form, you are requested to furnish the following pursuant to SEBI Circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 with the Company's RTA:

- i. Form ISR-1 along with supporting documents. The said form is available on the website of the Company at <https://www.greavesкотton.com/investors> and on the website of the RTA at [www.kfintech.com/](http://www.kfintech.com/) ;
- ii. Self-attested copy of PAN Card of all holders;

- iii. Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company; and
- iv. Cancelled cheque bearing the name of the shareholder/first holder. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

The Company is obligated to deduct tax at source based on the records available with RTA and no request will be entertained for revision of TDS return.

The Company will arrange to email a soft copy of the TDS certificate to the registered email IDs of the shareholders. The TDS amount will also be reflected in Form 26AS of the shareholder, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.

We seek your co-operation in the matter.

Thanking you,

Yours faithfully,  
For **Greaves Cotton Limited**

Sd/-  
**Atindra Basu**  
**General Counsel & Company Secretary**