

# *EIH Limited*

A MEMBER OF THE OBEROI GROUP

CIN: L55101WB1949PLC017981

CORPORATE OFFICE: 7, SHAM NATH MARG, DELHI – 110 054, INDIA/ TELEPHONE: +91 - 11- 2389 0505 / WEBSITE: WWW.EIHLTD.COM

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

Dear Shareholder,

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of EIH Limited, at its meeting held on 22<sup>nd</sup> May 2023, has recommended a dividend of **Rs. 1.1/- per equity share of face value Rs. 2/- each** for the Financial Year ended 31<sup>st</sup> March 2023.

As per the provisions of the Income Tax Act, 1961 (Act), dividend paid or distributed by a company shall be taxable at the hands of Shareholders. Therefore, the Company is required to deduct Tax at Source (TDS) at the rates applicable on the amount distributed to the Shareholders, if approved at the Annual General Meeting (AGM) of the Company scheduled to be held on 9<sup>th</sup> August 2023.

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/ 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 the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during the Financial Year (FY) 2023-24 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 Company may at its sole discretion reject the form, if it does not

fulfil the prescribed requirements under the Act. The template of Form 15G and 15H are enclosed as **Annexure 1** and **Annexure 2**, respectively.

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

**b. Resident Non-Individuals**

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in **Annexure 3**.

- 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 ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
  - ii. **Mutual Funds:** Self-declaration that it is registered with 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. **New 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.
- c. In case, Shareholders (both individuals or non-individuals) 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 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, 2023 to March 31, 2024) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. For shareholders who have PAN and proposes to claim treaty benefit, they need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 to avail the benefit of DTAA.

For shareholders who are not having Permanent Account Number ('PAN') in India or who are not required to obtain PAN in India are exempted from mandatory electronic filing of Form 10F, however they are required to submit the manual Form 10F (format attached herewith as Annexure 4) which should be duly signed.

- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (financial year April 1, 2023 to March 31, 2024) (format attached herewith as Annexure 5).
- 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 Double Taxation Avoidance Agreement (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.

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 24<sup>th</sup> July 2023 (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 2022-23, once approved by the Shareholders of the Company at the AGM, will be paid after deducting the tax at source as mentioned in the earlier paragraphs. 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:

- i. at twice the rate specified in the relevant provision of the act; or
- ii. at twice the rates or rates in force; or
- iii. 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.

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21<sup>st</sup> June, 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 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 to 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.

### **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 Ordinary 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 aforementioned documents (duly completed, signed and scanned) shall be submitted to our RTA, Link Intime India Private Limited by clicking the URL <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 24th July 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable. No communication on the tax determination/deduction shall be entertained after the said date.

**Please note that all the Tax related documents should be uploaded through above link only and documents (if sent) on other email ids will not be entertained.**

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).

To view / download Annexure-1 [click here](#)

To view / download Annexure-2 [click here](#)

To view / download Annexure-3 [click here](#)

To view / download Annexure-4 [click here](#)

To view / download Annexure-5 [click here](#)

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:**

In order to facilitate receipt of dividend directly in your bank account, 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.

Thank you.

With warm regards,

For **EIH Limited**

**Lalit Kumar Sharma**

**Company Secretary**

*Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent.*

**Note: Please do not reply to this email, as this email id is not monitored.**