



**TITAN COMPANY LIMITED**

INTEGRITY, No. 193, Veerasandra, Electronics city P.O., Off Hosur Main Road,  
Bengaluru - 560100, **Tel No.:** +91 80 6704 7000

**Registered Office:** 3, Sipcot Industrial Complex, Hosur - 635 126 TN India.

**Tel:** 91 4344 664 199; **Fax:** 91 4344 276037

**Website:** [www.titancompany.in](http://www.titancompany.in); **E-mail ID:** [investor@titan.co.in](mailto:investor@titan.co.in)

**CIN:** L74999TZ1984PLC001456

Date: 3<sup>rd</sup> June 2024

Dear Shareholder(s),

**Sub: Communication for deduction of Tax on Dividend**

We are pleased to inform you that the Board of Directors at its Meeting held on 3<sup>rd</sup> May 2024 have recommended a Dividend of Rs. 11.00 /- per Equity Share of Rs. 1/- each (1100%) for the Financial Year ended 31<sup>st</sup> March, 2024 and the said Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company.

As you are aware, 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 after 1<sup>st</sup> April, 2020 are taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making payment of the dividend to the shareholders at the applicable rates if declared at the aforesaid AGM.

TDS rate may vary depending on the residential status of the shareholder and the documents submitted to and accepted by the Company under the provisions of the Act.

A non-resident shareholder who does not have Permanent establishment in India is excluded from the scope of the above provision/s.

Shareholders holding physical securities are requested to note that SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders, holding securities in physical form, whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through **electronic mode with effect from April 01, 2024**, upon their furnishing all the aforesaid details in entirety to Registrar and transfer Agent.

We request all the Shareholders to take note of the applicable TDS rates and provide the documents to the Company, as applicable to them.

## **I. 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 / Inoperative PAN/ have not registered their valid PAN details in their account/ is a specified person as per Section 206AB, TDS at the rate of 20% shall be deducted under Section 206AA/206AB of the Act as the case may be.

### **1. Resident Individual Shareholders**

No tax shall be deducted on dividend payable to Resident Individual Shareholder, if –

(a) total dividend to be paid in the financial year 2024-25 does not exceed Rs. 5,000/-. The threshold amount of Rs. 5,000/- shall be at the PAN level and not at Folio / DP level; or

(b) the shareholder provides Form 15G (applicable to an Individual below the age of 60 years) / Form 15H (applicable to an individual above the age of 60 years), as per attached formats, subject to required eligibility conditions being met. Needless to say, having a valid PAN is mandatory for providing Forms 15G / 15H.

Form 15G/H needs to be furnished only if the dividend amount exceeds Rs.5,000/-. Considering that the Company has declared a dividend of Rs.11.00 per share, the need for submitting Form 15G/H will arise only if your shareholding exceeds 454 shares.

### **2. Other Resident Non-Individual Shareholders**

Please refer to the table below for the rate of TDS and documents to be provided:

<b>Category of Shareholder</b>	<b>Tax deduction rate</b>	<b>Documents to be provided</b>
Shareholders whose PAN is registered with Depositories or Company's RTA or the Company and not covered by the provision of Section 206AB of the Act	10%	For shares held in demat form: <b>Register</b> the PAN and the residential status as per Income-tax Act, 1961 <b>with the Depositories, if not registered;</b>  For shares held in physical mode: <b>Register</b> the PAN and the residential status as per Income-tax Act, 1961 <b>with Link Intime India Private Limited, if not registered.</b>
Shareholders who submit the Order under Section 197 of the Income-tax Act, 1961	At the Rate provided in the Order	Lower / Nil withholding tax certificate obtained from the tax authority.

Category of Shareholder	Tax deduction rate	Documents to be provided
Shareholders [e.g. LIC, GIC, Other Insurers, Business Trust as defined in Section 2(13A) of the Act] to whom provisions of Section 194 of the Income-tax Act, 1961 are not applicable.	Nil	<p>(a) Self-declaration that it has full beneficial interest with respect to the shares owned by it;</p> <p>(b) Self-attested copy of registration certificate; and</p> <p>(c) Self-attested copy of PAN Card.</p>
Alternative Investment Fund	Nil	<p>(a) Self-declaration stating that the shareholder is</p> <ul style="list-style-type: none"> <li>- Category I or Category II Alternative Investment Fund and is regulated by the Securities and Exchange Board of India;</li> <li>- covered by notification no. 51/2015 dated 25<sup>th</sup> June 2015; and</li> <li>- has full beneficial interest with respect to the shares owned by it.</li> </ul> <p>(b) Self-attested copy of registration certificate; and</p> <p>(c) Self-attested copy of PAN Card</p>
Shareholders covered under Section 196 of the Income-tax Act, 1961 (e.g. Mutual Funds, Government, etc.)	Nil	<p>(a) Self-declaration stating that the shareholder is</p> <ul style="list-style-type: none"> <li>- a Mutual Fund as specified in Section 10(23D) of the Income-tax Act, 1961 / a Corporation established by or under a Central Act whose income is exempt from Income-tax;</li> <li>- covered by Section 196 of Income-tax Act, 1961; and</li> <li>- has full beneficial interest with respect to the shares owned by it.</li> </ul> <p>(b) Self-attested copy of registration certificate; and</p> <p>(c) Self-attested copy of PAN Card</p>

Category of Shareholder	Tax deduction rate	Documents to be provided
Shareholders whose income is unconditionally exempt under Section 10 of the Income-tax Act, 1961 and covered by the CBDT circular no. 18/2017 dated 29 <sup>th</sup> May, 2017	Nil	<p>(a) Self-declaration stating that the shareholder is</p> <ul style="list-style-type: none"> <li>- unconditionally exempt under Section 10 of the Income-tax Act, 1961 (“Act”) and statutorily not required to file its Return of income as per Section 139 of the Act;</li> <li>- covered by the circular no. 18/2017 dated 29<sup>th</sup> May 2017; and</li> <li>- has full beneficial interest with respect to the shares owned by it.</li> </ul> <p>(b) Self-attested copy of registration certificate; and</p> <p>(c) Self-attested copy of PAN Card</p>

## II. Non-Resident Shareholders:

Tax would be deducted at Source as per the provisions of Section 195 or 196D of the Act. Please refer to the table below for the rate of TDS and documents to be submitted:

Particulars	Tax deduction Rate	Documents to be provided
Non-Resident Shareholders [Including Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI)] who are not covered by the provisions of Section 206AB of the Act.	20% plus applicable surcharge and cess <b>OR</b> Tax Treaty Rate (whichever is lower)	<p>Documents required to claim treaty benefits:</p> <p>(a) Self-attested copy of the Permanent Account Number (<b>PAN Card</b>) allotted by the Indian Income-tax Authorities. In case, PAN is not available, self-declaration containing specified information (i.e. contact number, email, etc.) (draft format attached herewith).</p> <p>(b) Self-attested copy of <b>Tax Residency Certificate (TRC)</b> obtained from the Tax Authorities of the country of which the shareholder is resident, valid for the financial year 2024-25.</p> <p>(c) Electronically filed <b>Form 10F</b> (procedure for filing attached herewith).</p> <p>(d) Self-declaration of having <b>no</b></p>

Particulars	Tax deduction Rate	Documents to be provided
		<b>Permanent Establishment in India and Beneficial ownership.</b> (draft format attached herewith).
Non-Resident Shareholders who submit the Order under Section 197 of the Income-tax Act, 1961	At the Rate provided in the Order	Lower / Nil withholding tax certificate obtained from the tax authority.
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined under Section 94A(1) of the Act	30%	NA
Sovereign Wealth Funds and Pension funds notified by Central Government under Section 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of Section 10(23FE) of the Act issued by the Government of India.</li> <li>• Self-Declaration that the conditions specified in Section 10(23FE) have been complied with.</li> </ul>
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under Section 10(23FE) of the Act	NIL	Self-Declaration substantiating the fulfilment of conditions prescribed under section 10(23FE) of the Act

The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding tax on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and subject to review and satisfaction of the Company. 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.

### **III. TDS to be deducted at higher rate in case of inoperative PAN- Non linkage of Aadhaar with PAN [Rule 114AAA r.w.s 139AA and 206AA]**

Based on the CBDT Circular No. 03 of 2023 dated 28-Mar-2023, consequent to the substituting rule 114AAA of the Income Tax Rules, 1962, a person who has failed to intimate the Aadhaar number in accordance with section 139AA of the Income Tax Act, 1961 read with rule 114AAA, the PAN allotted to the person shall be made inoperative and where tax is deductible under

Chapter XVII-B in case of such person, such tax shall be deducted at higher rate in accordance with section 206AA.

#### **IV. TDS to be deducted at higher rate in case of non-filers of Return of Income [Section 206AB]**

The Finance Act, 2021, had *inter alia* inserted the provisions of Section 206AB of the Act which became effective from 1<sup>st</sup> July, 2021. Accordingly, tax at higher of the following rates would be deducted from the 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%.

'Specified person' means a person who has:

(a) not furnished the return of income of the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit of furnishing return of income under sub-section (1) of Section 139 has expired; and

(b) the aggregate of tax deducted at source / tax collected at source in his case is Rs. 50,000 or more in the said previous year.

A Non-resident who does not have the permanent establishment in India is excluded from the scope of a Specified person.

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.

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

##### **Ø Resident Shareholder:**

For lower TDS/Nil TDS : Form 15G/ 15H, documents under section 196, 197A, etc. can be uploaded on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. Resident Shareholders can also send the scanned copies of the documents mentioned above at the email id [Csgexemptforms2425@linkintime.co.in](mailto:Csgexemptforms2425@linkintime.co.in).

##### **Ø Non-Resident shareholder:**

Non-Resident Shareholders are requested to send the scanned copies of the documents such as TRC, form 10F, and self-declaration through the webpage link: [Non-resident Tax Declaration-2024](#). Non-Resident Shareholders can also send the scanned copies

of the documents mentioned above at the email id << [incometaxhelpdesk@titan.co.in](mailto:incometaxhelpdesk@titan.co.in) >> .  
None of the document should be password protected.

**These documents should reach us on or before 27<sup>th</sup> June 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained after 27<sup>th</sup> June 2024.**

It may be further noted that in case 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 **claim the appropriate refund in the Return of Income filed with your respective Tax Authorities for the tax so deducted, if eligible. No claim shall lie against the Company for such taxes deducted.**

Shareholders who have registered their PAN with Depositories or Company's RTA or the Company, will be able to view the credit for TDS in Form 26AS, which can be downloaded from your income tax e-filing account at [www.incometax.gov.in](http://www.incometax.gov.in)

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) shall be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

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

Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to make timely credit of dividend in their bank accounts.

We request your cooperation in this regard.

Yours Sincerely,  
For **Titan Company Limited**

**Dinesh Shetty**  
**General Counsel & Company Secretary**

Encl.:

[ANNEXURE - 1](#) FORM 15G

[ANNEXURE - 2](#) FORM 15H

[ANNEXURE - 3](#) RESIDENT TAX DECLARATION

[ANNEXURE - 4](#) Procedure to file application for Form 10F online on Income Tax Portal

[ANNEXURE - 5](#) Non Resident PE and Beneficial ownership declaration

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