



## **TATA COMMUNICATIONS LIMITED**

**Regd. Office:** VSB, MAHATMA GANDHI ROAD, FORT, MUMBAI - 400 001 INDIA  
Tel: 91 22 6659 1968 Website: [www.tatacommunications.com](http://www.tatacommunications.com)  
**CIN: L64200MH1986PLC039266**

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on April 19, 2023 have recommended a Dividend of Rs. 21/- per Equity Share of Rs. 10/- each (210%) for the Financial Year ended March 31, 2023. As per the Income Tax Act, 1961 (the Act), dividends paid or distributed by a company 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 Dividend, if declared at the forthcoming Annual General Meeting of the Company.

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

### **SECTION A: TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE, FOR RELEVANT CATEGORY OF SHAREHOLDERS**

#### **I. For Resident Shareholders:**

Tax is required to be deducted at source under Section 194 of the Act at 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number ('PAN'). In case, shareholders do not have PAN / have not registered their valid PAN details with Depositories/ Registrar and Transfer Agent ('RTA') of the Company, the TDS at 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 –

- Total dividend to be received by them from the Company during Financial Year 2023-24 does not exceed Rs. 5,000/-.
- The shareholder provides Form 15G (applicable to individuals) / 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 duly signed. The Company may at its sole discretion reject the form if it does not fulfil the requirement of law. Formats of Form 15G and 15H are enclosed as [Annexure 1](#) and [Annexure 2](#) respectively.
- Exemption certificate is issued by the Income-tax Department, if any.

Note:

Shareholders are requested to ensure that their Aadhar number is linked with their PAN, as per the timelines prescribed by government authorities from time to time. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative, and in such scenario, tax shall be deducted at higher rate of 20%.



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### 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](#).

- **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.
  - **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.
  - **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.
  - **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.
  - **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 (individuals or non-individuals) provide certificate under Section 197 of the Income-tax Act, 1961, for lower / NIL withholding of taxes, the rate specified in such certificate shall be considered, on submission of self-attested copy of the certificate.

### II. For Non-Resident Shareholders:

- a. Taxes are required to be withheld in accordance with the provisions of Sections 195 / 196D of the Act as per the 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 to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act for lower/ Nil withholding of taxes, the rate specified in such certificate shall be considered based on submission of self-attested copy of the certificate.
- b. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Taxation Avoidance Agreement between India and the country of tax residence of the shareholder ('Tax Treaty'), if they are more beneficial to them. To avail such Tax Treaty benefits, the non-resident shareholders will have to provide the following:



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- Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities. If the PAN is not available, the non-resident shareholder shall furnish name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence (format attached herewith as [Annexure 4](#)).
- Self-attested copy of Tax Residency Certificate ('TRC') (of FY 2023-24 or later) obtained from the tax authorities of the country of which the shareholder is resident.
- The Central Board of Direct Taxes ('CBDT') in India has issued Notification no. 3/2022 dated July 16, 2022 which mandates filing of Form 10F vide electronic mode on the income-tax e-portal by non-residents having a PAN. Accordingly, shareholders who have a PAN and who wish to claim Tax Treaty benefit, need to mandatorily file Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023.
- Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (of FY 2023-24 or later) (format attached herewith as [Annexure 5](#))
- In case of shareholder being tax resident of Singapore, proof of satisfying requirement of Article 24 – Limitation of Relief, should be provided.

It is recommended that shareholders should independently satisfy its eligibility to claim Tax Treaty benefit including meeting of all conditions laid down by Tax Treaty.

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty 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, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, **we request you to provide these details and documents as mentioned above on or before June 22, 2023.**

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

As per the amended provisions of Section 206AB of the Act vide Finance Act 2022, in case of non-filers of income-tax return for the preceding financial year and in whose case TDS / TCS exceeds Rs. 50,000/- in the said preceding financial year, the deduction of tax at source is required to be made at the higher of the following rates, namely-

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at twice the rate or rates in force; or



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(iii) at the rate of five per cent.

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.

### **PAYMENT OF DIVIDEND**

The Dividend for FY 2022-23 will be paid after deducting the tax at source as under:

#### **A. For resident shareholders:**

- Nil in case the total dividend paid is up to Rs. 5,000/-.
- Nil for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhar. *Please note that the duly filled up forms submitted through your registered email id will be accepted.*
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act, 1961.
- 10% for resident shareholders in case PAN is provided / available.
- 20%, for resident shareholders in case PAN is not provided / not available/ PAN-Aadhar linking not done/ non-filers of Return of Income.

#### **B. For non-resident shareholders:**

- Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/ FPI).
- 40% plus applicable surcharge and cess in case of non-residents declaring that they have a permanent establishment in India.
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

#### **C. For shareholders having multiple accounts under different status / category:**

Shareholders holding 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.



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### SECTION B: SUBMISSION OF TAX RELATED DOCUMENTS:

#### Resident Shareholders

The aforementioned documents can be uploaded on the link <https://tcpl.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **June 22, 2023** to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

Resident Shareholders can also send scanned copies of the documents mentioned above at the below mentioned email address, **mentioning the name of the Company i.e., Tata Communications Limited, in the subject line:**

Resident shareholders to send to	:	<a href="mailto:Csg-exemptforms2324@tcplindia.co.in">Csg-exemptforms2324@tcplindia.co.in</a>
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#### Non-Resident shareholders

Non-Resident shareholders are requested to send scanned copies of the documents mentioned above at the below mentioned email address, **mentioning the name of the Company i.e., Tata Communications Limited, in the subject line:**

Non-Resident shareholders to send to	:	<a href="mailto:taxforms@tatacommunications.com">taxforms@tatacommunications.com</a>
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These documents should reach us **on or before June 22, 2023** 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 post **June 22, 2023**. 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.

#### **NOTES**

- 1) *Resident Non-Individual shareholders i.e., Insurance companies, Mutual Funds and Alternative Investment Fund ('AIF') established in India and Non-Resident Non-Individual shareholders i.e., Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.*
- 2) *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.*



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- 3) In terms of Rule 37BA of Income Tax Rules, 1962 ('Rules'), 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 the company in the manner prescribed by the Rules. The Company shall not accept any such declaration and amend its TDS return after three months of making the payment of dividend.
- 4) Shareholders whose valid PAN is updated with the Company / its RTA will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>
- 5) This communication shall not be treated as advice from the Company or its affiliates or its RTA. The Shareholders should obtain tax advice related to their tax matters from a tax professional.

Thanking you,

Yours faithfully,

**For Tata Communications Limited**

**Zubin Adil Patel**  
**Company Secretary**

Encl.: As above