

# UNITED SPIRITS LIMITED

Corporate Identity Number: L01551KA1999PLC024991

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Website: [www.diageoindia.com](http://www.diageoindia.com) e-mail: [investor.india@diageo.com](mailto:investor.india@diageo.com)

Dear Shareholder(s),

Folio/DPID & Client ID:

Name of the Shareholder(s):

**Sub: Updation of KYC details and familiarisation of provisions relating to tax deducted at source (TDS) on dividend, if any**

We hope you and your family members are doing well. This communication is being sent as part of an investor service initiative of the Company.

## **Updation of details for shares held in dematerialized form:**

Shareholders are requested to ensure that their bank account details email id, mobile number, and residential status of their demat accounts are updated with Depository Participant ("DP"), in order to receive communications from the Company and any benefits arising out of corporate action in a timely manner. Any change in aforesaid details is required to be updated directly with your DP only.

## **Updation of details for shares held in physical form:**

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, shareholders are required to submit duly filled prescribed forms by sending email from your registered email id to [bglsta@integratedindia.in](mailto:bglsta@integratedindia.in) and by sending a physical copy of the duly filled and signed prescribed forms by the registered holders with the Registrar and Transfer Agents viz., Integrated Registry Management Services Private Limited. This will enable you to receive communications from the Company and any benefits arising out of corporate action in a timely manner. The forms to update these details are available on the Company's website <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>. Non-submission of aforesaid details will lead to freeze of folio with effect from January 1, 2024.

## **Converting physical shares in dematerialized form**

Shares held in the dematerialized mode have more liquidity than those held in the physical mode. The Company accordingly urges shareholders to convert their physical shares into dematerialized form. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated the transfer, transmission, transposition of shares to be done only in dematerialized form.

## **Tax deducted at source (TDS) on dividend**

Pursuant to the changes introduced in the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. At the ensuing board meeting scheduled for 8<sup>th</sup> November 2023 board of directors of the Company will consider declaration of interim dividend, if any. Further, the Company has fixed Friday, 17<sup>th</sup> November 2023 as the record date for this purpose. Accordingly, the Company will also be required to deduct tax at source in case the board of directors at its meeting scheduled to be held on 8<sup>th</sup> November 2023 decides to declare interim dividend.

The rate at which the dividend may be subject to withholding tax would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, an Interim Dividend will be paid after deducting the tax at source as follows:

## **Resident Shareholders**

It may be noted that tax would not be deducted at source on payment of dividend to resident Individual shareholder, if total dividend amount to be paid in a financial year does not exceed Rs. 5,000.

Tax to be deducted at source for FY 2023-24, wherever applicable, would be as under:

<b>Particulars</b>	<b>Applicable Rate</b>	<b>Documents required (if any)</b>
Shareholders having the PAN	10%	Update the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).
	NIL	Form 15G (applicable to any person other than a Company or a Firm) /Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met, and a self-attested copy of PAN is furnished.
Shareholders not having/furnished PAN/ Invalid PAN	20%	-
Shareholders submitting the Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority along with self-attested copy of PAN.
Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	NIL	Declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN and registration certificate
Shareholders, being Alternative Investment Funds (AIFs)	NIL	A declaration that the AIFs are registered under SEBI as per SEBI Regulations, self-attested copy of PAN and SEBI registration certificate.
Shareholders covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	NIL	Certificate of registration u/s 10(23D) issued by the appropriate authority, self-attested copy of PAN, documentary evidence that the person is covered under said Section 196 of the Act.

Resident individual shareholders are requested to ensure that Aadhar Number is linked with PAN, failing which, PAN shall be considered as inoperative/invalid and hence, tax at 20% shall be deducted in such cases.

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

The Finance Act, 2021, has *inter-alia* inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of said section require the Company 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 Income Tax Act; or
- ii. At twice the rate(s) in force; or
- iii. At the rate of 5%.

The 'specified person' means a person who has:

- a) A person who has not filed income tax return for the assessment year relevant to the 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
- b) The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in the aforesaid previous year.

Government guidelines with respect to the provisions of Section 206AB will be followed by your Company. Tax deducted in accordance with said guidelines will be final and your Company shall not refund/adjust said amount subsequently. Your Company might also seek necessary declarations from you to comply with the provisions of this section. The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

### **Non - Resident Shareholders**

As per Section 90 of the Income Tax Act, non-resident shareholder has the option of being governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. Please refer to the below table for details of documents to avail Tax Treaty benefits.

<b>Particulars</b>	<b>Applicable Rate</b>	<b>Documents required (if any)</b>
Shareholders, being Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) as per Section 196D of Income Tax Act, 1961  <b>OR</b> Tax Treaty Rate (whichever is lower)	a) Registration copy of FII/FPI b) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. c) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 23-24. d) Self-declaration in online Form 10F. e) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. f) Self-declaration of Beneficial ownership by the non-resident shareholder.
Other Non-resident shareholders	20% (plus applicable surcharge and cess)  <b>OR</b> Tax Treaty Rate (whichever is lower)	a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 23-24. c) Self-declaration in online Form 10F. d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the non-resident shareholder.
Shareholders submitting the Order under Section 197 of the Income Tax Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

In case, PAN is not available, the non-resident shareholder (other than a company) shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country (f) a certificate of his being resident in any country or specified territory outside India from the

Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate.

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.

Soft copies of following documents may be downloaded from the below link:

<https://www.integratedindia.in/ExemptionFormSubmission.aspx>:

- (1) Form 15G.
- (2) Form 15H.
- (3) Online Form 10F.
- (4) Declaration from residents.
- (5) Declaration from non-residents (no Permanent Establishment in India and Beneficial ownership).
- (6) Declaration under Rule 37BC from non-residents (other than companies) not having PAN.

Duly filled and signed aforesaid documents, as applicable, should be uploaded only on the weblink of RTA i.e., <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before November 15, 2023, 06.00 PM (IST), to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

**Kindly note that exemptions forms submitted to any other email ids / other portals / for other client(s) of Registrar and Share Transfer Agent will not be considered.**

No communication on the tax determination/deduction received post November 15, 2023, shall be considered for payment of Dividend.

#### **DATA UPDATION FOR SMOOTH PROCESSING**

While deducting the withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs on or before November 15, 2023.

Application of TDS rate is subject to necessary due diligence and verification by the Company as per the details available in register of Members on the record date and above prescribed documents. In case of ambiguous, incomplete, or conflicting information, or valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. If the tax on said Dividend is deducted at a higher rate due to non-receipt of or satisfactory completeness of the afore-mentioned details/documents by November 15, 2023, the shareholder may claim an appropriate refund in the return of income filed with their respective tax authorities.

This communication sets out the provisions of law only in a summary manner from withholding tax perspective. For detailed understanding of the law, shareholders are advised to consult their tax advisors. If you have any queries, then please write to [bglsta@integratedindia.in](mailto:bglsta@integratedindia.in).

**No claim shall lie against the Company for such taxes deducted.**

The Company will send a copy of the TDS certificate to shareholders in due course, post payment of the Dividend, if any. Shareholders will also be able to view electronic credit of TDS in Form 26AS, which can be downloaded from the website of Income Tax Department.

**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.

**Beneficial Interest:**

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 deductee should, on or before November 15, 2023, file declaration with Company in manner prescribed by Rules.

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.

**Thank you**

**For United Spirits Limited**

**Mital Sanghvi  
Company Secretary**