

UNITED SPIRITS LIMITED

FAQs on Tax deducted at Source on Dividend

1. What is the TDS rate applicable to a resident individual shareholder with valid PAN?

Effective April 1, 2020, dividend income is taxable in the hands of shareholders. Accordingly, if any resident individual shareholder is in receipt of dividend exceeding ₹5,000 in a fiscal year, entire dividend will be subject to TDS at 10%.

The rate of 10% is applicable provided the resident individual shareholder has updated his/her Permanent Account Number (PAN) Depository/ Registrar and Transfer Agent (RTA) of the Company. In case of invalid/no PAN, the TDS rate will be 20%.

2. What are the circumstances in which TDS will not be applicable to a resident individual shareholder?

- If dividend to a resident individual shareholder does not exceed Rs. 5,000 in FY 2024-25
- If the resident individual shareholder provides dully filled and signed declaration in Form 15G/ Form 15H

3. From where to download Form 15H/15G?

You may download from: <https://www.integratedregistry.in/TaxExemptionRegistration.aspx>

4. How to update PAN in order to comply with TDS provisions?

In case the shares are held in Demat form then the PAN needs to be updated with your Depository Participant, and in case shares held in Physical form, please submit ISR form with RTA. You may download forms: <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>

5. What is TDS applicability for Non-Individual Resident Shareholder?

The entire dividend will be subject to TDS for non-individual resident shareholders without any threshold limit. The tax deduction rate will be 10% provided a valid PAN is updated with the Company or the depository/ RTA. In all other cases, the TDS rate will be 20%.

6. Can TDS be deducted at a rate higher than the ones mentioned above?

With effective from July 1, 2021, section 206AB is introduced, and the tax shall be deductible at the higher rates if the following conditions are satisfied:

- A. Shareholder has not filed the return of income for the previous year immediately prior to the previous year in which tax is required to be deducted;

B. The due date to file such return of income, as prescribed under section 139(1), has expired; and

C. The aggregate amount of tax deducted and collected at source is Rs. 50,000 or more in the said previous year.

Rate of TDS:

The tax shall be deducted at the higher of the following rates:

A. Twice the rate specified in relevant provision of the Act (Rate specified u/s 194 is 10%)

B. Twice the rate or rates in force; or

C. 5%

In this regard, the Company will use the online utility provided by Central Board of Direct Taxes ('CBDT') "Compliance Check for Sections 206AB and 206CCA" This section is not applicable to Non-resident shareholders who do not have a permanent establishment in India.

7. What is the benefit available under Rule 37BA?

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 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.

8. What is rate of withholding tax on Dividend declared and paid to non-resident shareholders?

For non-resident shareholders, the rate of withholding tax is 20% (plus applicable surcharge and cess) as per the Act. However, where non-resident shareholder is eligible to claim the tax treaty benefit rate.

Please refer to the below table for details of documents to avail Tax Treaty benefits.

Particulars	Applicable Rate	Documents required (if any)
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 OR	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 24-25. d) Self-declaration in online Form 10F.

Particulars	Applicable Rate	Documents required (if any)
	Tax Treaty Rate (whichever is lower)	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) OR 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 24-25. 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.

Please note that the Company is not obligated to apply the beneficial tax treaty rates at the time of tax deduction/withholding on the dividend amount. Application of beneficial tax treaty rates shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholder.

9. Where can shareholder view tax deducted from dividend income?

Shareholders can use the “View Your Tax Credit” (Form 26AS) facility available at www.incometax.gov.in. Please note the credit in form 26AS shall be reflected after TDS statement filed by company on a quarterly basis is processed by tax authority. Below are the navigation steps to be followed:

1. Go to the 'My Account' menu, click 'View Form 26AS (Tax Credit)' link.
2. Read the disclaimer, click 'Confirm' and the user will be redirected to TDS-CPC Portal.
3. In the TDS-CPC Portal, Agree the acceptance of usage, and click on 'Proceed'.
4. Click 'View Tax Credit (Form 26AS)'