

Date: - 02nd August, 2024

BSE Limited Dalal Street, Phiroze Jeejeebhoy Towers, Mumbai 400 001 Scrip Code: 543923	The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Symbol: IKIO
--	--

Sub: Communication to Shareholders - Intimation on Tax Deduction on Dividend

Dear Sir/Madam,

This has reference to our letter dated 24th May, 2024, regarding payment of Final Dividend for the Financial Year 2023-24 to the eligible Shareholders of IKIO Lighting Limited (the "Company"), if declared at the forthcoming Annual General Meeting ("AGM").

Pursuant to the provisions of the Income Tax Act, 1961 and the rules framed thereunder, as amended by the Finance Act, 2020, with effect from April 1, 2020, the Dividend Distribution Tax is abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication which is being sent to all the shareholders of the Company whose e-mail IDs are registered with the Company/Depositories explaining the process for withholding tax on dividends paid to the shareholders at prescribed rates, as may be applicable, along with the necessary annexures.

This communication is also being made available on the website of the Company at www.ikio.in.

**Thanking You,
FOR IKIO Lighting Limited**

**Sandeep Kumar Agarwal
Company Secretary & Compliance Officer**



IKIO Lighting Limited

CIN - L31401DL2016PLC292884

Registered Office :- 411, Arunachal Building 19 Barakhamba Road,
Connaught Place Central Delhi DL 110001 IN

Corporate Office :- D-234, Sector -63, Noida – 201301 (U.P)

Works: - Plot no. 102, Sector 07, II E, Sidcul Haridwar, 249403

Ph No – 0120 5084101, 7185862

Website:- <https://ikio.in/>

Communication to Shareholders - Communication on Tax Deduction at Source (TDS) on Dividend

Date: 02/08/2024

Dear Shareholder,

The Board of Directors of your Company at its meeting held on May 24, 2024, had recommended a dividend of Re. 01/- (Rupee one only) per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2024. The dividend, as recommended by the Board, if approved by the shareholders at 08th Annual General Meeting ('AGM') of the Company scheduled to be held on Tuesday, August 20, 2024 will be paid within 30 days to the shareholders whose names appear in the record of Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (for shares held in Demat form) as on August 13, 2024 (Record date).

In accordance with the provisions of the Income-tax Act, 1961 ("IT Act"), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared by the Company is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") on dividend at the applicable rates.

Please take note of the below TDS provisions and information/document requirements for each member:

A. Resident shareholders:

- (i) No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 5,000 (Rupee Five Thousand), subject to availability of PAN of member.
- (ii) Tax shall be deducted from Dividend paid to resident members (other than category prescribed under (i) above) as per the details provided below:

Particulars	Applicable Rate of Tax	Declaration/documents required
Where valid PAN is updated with the Depository Participant (in case shares are held in dematerialized form) and no exemption is sought by the resident member	10%	Not applicable
No PAN/ Invalid PAN/ Inoperative PAN* or Specified person as per section 206AB of the IT Act and no exemption sought by member	20%	Not applicable Note: In case of a shareholder being resident individual eligible for obtaining Aadhaar Number have not linked the Aadhaar Number allotted with its PAN (as on the date of payment of such dividend), such PAN would be treated as inoperative for the provisions of deduction of TDS.
Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the IT Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> · Copy of PAN card · Copy of lower tax withholding certificate obtained from Income Tax Department <p>Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the Company.</p>

* As per section 139AA of the IT 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, except person exempted as per Notification No. 37/2017. In case of failure to comply to this, the PAN allotted shall be deemed to be inoperative and tax shall be deducted at higher rates as prescribed under the IT Act.

(iii) No tax shall be deducted on Dividend to resident members if the members submit documents mentioned in the below table with the RTA:

Particulars	Declaration/ documents required
Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> · Copy of PAN card · Form 15G (applicable to an individual who is less than 60 years) OR Form 15H (applicable to individual who is 60 years or more), provided that all the required eligibility conditions are met. Format of Form 15G and 15H are given in the link below
Submitting Certificate under Section 197 of the IT Act	<ul style="list-style-type: none"> · Copy of PAN card · NIL withholding tax certificate obtained from tax authority <p>Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the Company.</p>
Members [e.g. LIC, GIC,] for whom Section 194 of the IT Act is not applicable	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD1 given in the link below) along with adequate documentary evidence (e.g., registration certificate) to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the IT Act.
Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD1 given in the link below) that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate along with the confirmation that their income is exempted from tax in terms of notification no. 51/2015 issued by CBDT
Persons covered under Section 196 of the IT Act (e.g. Mutual Funds specified under clause (23D) of Section 10 of the IT Act, RBI, Govt.)	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD1 given in the link below) along with documentary evidence (e.g., registration certificate) that the person is covered under said Section 196 of the IT Act
Other shareholders exempt as per Section 197A of the IT Act including those mentioned in Circular No. 18/2017 issued by CBDT viz. New Pension System Trust governed by Section 10(44), Recognized Provident Fund, Approved Superannuation Fund or Approved Gratuity Fund	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD1 given in the link below) along with documentary evidence to the effect that no tax withholding is required · Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

B. Non-resident shareholders:

As per Section 90 of the IT Act, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (“Tax Treaty”) between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

Particulars	Applicable Rate	Documents required (if any)
Non-resident Members (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% plus applicable surcharge and cess OR Tax Treaty Rate (Whichever is lower)	<p>If the member wants to avail the tax rates as per the Tax Treaty, following documents would be required:</p> <ul style="list-style-type: none">· Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities· Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority of the country of member’s residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2024-25· Electronically generated Form 10F from the link https://eportal.incometax.gov.in· In case of FIIs and FPIs, self-attested copy of SEBI registration certificate· Self-declaration in the (format SD2 given in the link below), certifying that –<ol style="list-style-type: none">i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2024-25;ii. You are eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company;iii. You have no reason to believe that your claim for the benefits of the Tax Treaty is impaired in any manner;

Particulars	Applicable Rate	Documents required (if any)
		<p>iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company;</p> <p>v. You do not have a taxable presence/ permanent establishment/ fixed base/ Business Connection/ Place of Effective Management, in India in accordance with the applicable Tax Treaty or dividend income is not attributable/ effectively connected to any permanent establishment or fixed base in India (Non-resident having PE in India would need to comply with provisions of section 206AB);</p> <p>vi. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI').</p>
Submitting Certificate under Section 197 of the IT Act.	Rate specified in Lower / Nil withholding tax certificate	Lower/NIL withholding tax certificate obtained from tax authority Note: The certificate should be valid for the financial year 2024-25 and should cover the dividend income from the Company
Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD3 given in the link below) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity.
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act	30%	Not applicable
Sovereign Wealth funds and Pension funds notified by Central Government	NIL	<ul style="list-style-type: none"> · Copy of PAN card · Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India.

Particulars	Applicable Rate	Documents required (if any)
u/s 10(23FE) of the IT Act		<ul style="list-style-type: none"> · Self-Declaration (refer format SD4 & SD5 given in the link below) that the conditions specified in section 10(23FE) have been complied with
Foreign Portfolio Investors (FPIs) – Category I	10% (plus applicable surcharge and cess) in case of a valid PAN	<ul style="list-style-type: none"> · Copy of PAN card · Self-declaration (refer format SD6 given in the link below) along with adequate documentary evidence (e.g. registration certificate) substantiating the nature of the entity.
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act	NIL	<ul style="list-style-type: none"> · Copy of PAN card · Self-Declaration (refer format SD7 given in the link below) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the IT Act

Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company / RTA, of the documents submitted by Non-Resident members and meeting requirement of the IT Act read with applicable Tax Treaty. It must be ensured that self-declaration should be addressed to the Company and should be in the same format as attached. In the absence of the same, the Company will not be obligated to apply the beneficial Tax Treaty rate at the time of tax deduction on dividends.

Section 206AB of the IT Act applicable to all members (resident and non-resident)

Section 206AB(1) of the IT Act provides that where TDS is required to be deducted under Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the below rates:-

- at twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Further, sub section (2) of section 206AB provides that where sections 206AA and 206AB are applicable, i.e., the specified person has not submitted the PAN as well as not filed the income tax return (and the TDS/TCS for the previous year exceeds INR 50,000); the tax shall be deducted at the higher rate between both the said sections.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

The Income Tax Department has also released a Compliance Check Functionality to determine whether a payee is a specified person under section 206AB of the Act and whether the PAN in case of individual is operative/ inoperative and the Company would be relying on the report generated from the said facility for compliance with section 139AA read with section 206AA and 206AB of the IT

For all members (Resident and Non- Resident)

Members holding shares under multiple accounts under different residential status/ shareholder category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.

The aforementioned forms (duly completed, signed and scanned) along with PAN (unless already registered) shall be submitted to our RTA, Kfin Technologies Limited and to the Company on email at einward.ris@kfintech.com and secretarial@ikiolighting.com on or before Wednesday, August 14 , 2024, 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 considered after August 14, 2024.

After receipt of any of the declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.

A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the IT Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the

members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

To view / download Form 15G [Click Here](#)

To view / download Form 15H [Click Here](#)

To view / download Form 10F [Click Here](#)

To view / download Self-Declaration form [Click Here](#)

We request your cooperation in this regard.

**Thanking You,
FOR IKIO Lighting Limited**

**Sandeep Kumar Agarwal
Company Secretary & Compliance Officer**