Applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 2025 ('the IT Act') for Resident and Non-Resident shareholder categories (Individual/Non-Individual)

I. For Resident Shareholders –

Tax is required to be deducted at source under Section 393 of the IT Act at the rate of 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (PAN) and at a rate of 20% for cases wherein the shareholder(s) do not have PAN / have not registered their valid PAN details in their account.

a. *Resident Individuals:*

No tax shall be deducted on the dividend payable to resident individuals if –

❖ Total amount of dividend to be received during the Financial Year 2026-27 does not exceed Rs. 10,000/-

❖ The shareholder provides Form 121 (applicable to all individuals) along with a copy of PAN card, provided that all the required eligibility conditions are met. These forms can be accessed at the link provided in this communication mentioned below.

Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law.

❖ Exemption certificate is issued by the Income-tax Department, if any.

b. Resident Non-Individuals:

Are requested to provide –

❖ Insurance Companies: For Public & Other Insurance companies, a declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.

❖ Mutual Funds: Self-declaration that they are specified in Section 393(5) of the IT Act along with self-attested copy of the PAN card and SEBI registration certificate

❖ Alternative Investment Fund (AIF): AIF established/incorporated in India - Self-declaration that its income is exempt under Schedule V (Table: Sl. No. 2) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and SEBI registration certificate

❖ New Pension System (NPS) Trust: Self-declaration that it qualifies as NPS trust and income is eligible for exemption 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: Documentary evidence along with an attested copy of the PAN for Shareholders who are exempted from deduction of tax under Section 393 of the IT Act.

c. In case where the shareholders provide certificate under Section 395 of the IT Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

II. For Non-resident Shareholders –

a. Taxes are required to be withheld in accordance with the provisions of Section 393 of the IT Act as per the rates in force. As per the relevant provisions of the IT 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, certificate issued under Section 395 of the IT Act is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

b. Further, as per Section 159 of the IT Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and their country of residence, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

❖ 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

❖ Self-attested copy of Tax Residency Certificate (TRC) (of FY 2026-27) obtained from the tax authorities of the country of which the shareholder is resident

❖ Online Form 41 from Income tax portal.

❖ Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (of FY 2026-27 or later)

❖ Self-declaration of Beneficial ownership (of FY 2026-27 or later) by the non-resident shareholder.

❖ 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 Double Tax Avoidance Treaty benefit including meeting of all conditions laid down by Double Tax Avoidance 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.

The exemption forms viz – Form 121 and format of Declaration as required to be provided by Resident/Non Resident shareholders can be accessed and downloaded from the website of the Company at https://www.kilpest.com/

Shareholders are requested to ensure Aadhaar number is linked with PAN. In case of failure of linking Aadhaar with PAN, PAN shall be considered inoperative, and in such scenario, tax shall be deducted at higher rate of 20%.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request the shareholders to provide these details and documents as mentioned above on or before Saturday, September 12, 2026.

The said dividend for FY 2025-26 will be paid after deducting the tax at source as under:

i. **Nil** - for resident shareholders in case aggregate dividend payout is less than Rs. 10,000 during FY 2025-26 or in cases Form 121 (as applicable) along with self-attested copy of the PAN is submitted, if not registered against the demat account. Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 393 of the Income TaxAct, 1961.

ii. **10%** - for resident shareholders in case PAN is provided / available.

iii. **20%** - for resident shareholders in case PAN is not provided / not available.

iv. 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.

(**Note**: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)

TDS/withholding tax at 20% plus applicable surcharge and cess shall apply for non-resident shareholders in case the aforementioned documents are not submitted (including FII/FPI). Shareholders holding shares under multiple accounts under different status/category and single PAN, may note that, a higher rate 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.

Kindly note that the aforementioned documents are required to be emailed as mentioned below:

Resident Individual shareholders to send to	:	cs@kilpest.com
Institutional and Non-Resident shareholders to send to	:	

These documents should reach us on or before Saturday, September 12, 2026 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. The aforesaid documents such as Form 121, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. should be sent on the aforesaid emails as stated above. No communication on the tax determination/deduction shall be entertained post September 12, 2026. 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 the shareholder, there would still be an option available with them to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with their credentials (with valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax department of India https://www.incometax.gov.in/iec/foportal/.

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.

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.

In terms of Rule 203 of Income Tax Rules 2026, 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 a declaration with Company in manner prescribed by Rules, format of which is available on the website of the Company at https://www.kilpest.com/

Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

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