

Applicable for resident person receiving dividend from GSK for Financial Year : 2021-22

Declaration for the purpose of deduction of tax at source on dividend as per the Income-tax Act, 1961 ('the Act')

As per section 194 of the Act, tax is deductible at the rate of 10% on the amount of dividend paid to resident shareholders **above five Thousand**.

We wish to highlight that by Finance Act 2021, Government of India has introduced new section 206AB for deducting higher rate of TDS for the non-filer of Income-tax return. The said section would be applicable in case of a specified person being a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. A person who fails to comply with the above, TDS would be higher of the following:

- (i) twice the rate specified in relevant provision of the Act;
- (ii) twice the rate or rates in force;
- (iii) 5%.

Specified person does not include a non- resident who does not include a non- resident who does not have a permanent establishment in India.

In the current case, GSK may be required to withhold tax at a higher rate as per the provisions of section 206AB of the Act in case the following conditions are satisfied.

- i) The person has not filed Income Tax Return for both the years i.e. Assessment Year 2019-20 i.e. Financial Year 2018-19 and Assessment Year 2020-21 i.e. Financial Year 2019-20

AND

- ii) The aggregate of Tax Deducted at Source ('TDS') and Tax Collected at Source ('TCS') is Rs. 50,000 or more in each of these 2 years

Please note that if the provisions of section 206AA are applicable, then tax is required to be deducted at higher of the rates provided in section 206AB or section 206AA.

In view of the above, we request you to kindly provide us with the following declaration.

I/ We, _____
[Name and address of the person] (hereinafter referred to as 'assessee'), holding PAN _____ do hereby confirm as under:

- 1) Assessee has filed income-tax return for assessment year 2019-20 and 2020-21

– Yes/ No

(If yes, please provide acknowledgement of filing the return of income or acknowledgement numbers for filing the return of income)

- 2) TDS and TCS for assessment year 2019-20 and 2020-21 is Rs. 50,000 or more

– Yes/ No

Please note that in the absence of declaration, we will be obliged to withhold tax as per the provisions of section 206AB of the Act.

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Signature of the Shareholder

Name of the Shareholder

PAN Number of Shareholder