Honeywell

Honeywell Automation India Limited
CIN: L29299PN1984PLC017951
Regd. Office: 56 & 57, Hadapsar Industrial
Estate, Pune - 411 013, Maharashtra
Tel: +91 20 7114 8888
E-mail: India.Communications@Honeywell.com
Website: https://www.honeywell.com/in/en/hail

July 23, 2021

**COMMUNICATION TO SHAREHOLDERS OF HONEYWELL AUTOMATION INDIA LIMITED – TAX ON DIVIDEND**

Dear Shareholders

We are pleased to inform you that the Board of Directors at their Meeting held on May 31, 2021 have declared a Final dividend of INR 85 /- (Rupees Eighty five Only) per Equity Share for the Financial Year ended March 31, 2021.

Shareholders may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

**For resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows:

| | |
|---|---|
| Members having valid PAN | 10% or as notified by the Government of India |
| Members not having PAN / valid PAN | 20% as per Section 206AA |

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit a lower/Nil deduction certificate obtained from the respective jurisdictional tax officer u/s 197 of the IT Act, to claim a lower / Nil TDS. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

**For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if treaty provisions are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities
- Copy of Tax Residency Certificate (TRC) for the FY 2021-22 obtained from the tax authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Lower tax deduction certificate obtained from the respective jurisdictional tax officer u/s 197 r.tw. Section 195 of the IT Act

**Section 206AB-High rate for non-filers**

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 section 206AB of the Act require the deductor 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 Act; or
ii. At twice the rates or rates in force; or
iii. At the rate of 5%

The 'specified person' means a person who has:

a. Not filed return 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

b. Subjected to tax deduction/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.

**Non-applicability-**The non-resident who does not have a permanent establishment.

In case of **Foreign Institutional Investors / Foreign Portfolio Investors**, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

**The shareholders are requested to submit/upload the aforementioned documents on the link** https://zfrmz.com/ebR1RSuQpeELyYquZCK4 **[QR code given below] on or before August 11, 2021. No communication would be accepted from members after August 11, 2021 regarding the tax withholding/TDS on dividend**. 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 you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. The dedicated email ID for queries, if any, in this respect is HAIL.Dividend@Honeywell.com.

Thanks and regards
**For and on behalf of Honeywell Automation India Limited**

**Sd/-**
**Farah Irani**
**Company Secretary**

*The presentation attached herewith is only for educational/academic purpose. The shareholders are requested to consult their respective tax consultants for determining the residential status.

PS:

Upload link: https://zfrmz.com/ebR1RSuQpeELyYquZCK4

One can also access the portal using the QR code