



HB PORTFOLIO LIMITED

Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram -122001 (Haryana)
Ph.:0124-4675500, Fax:0124-4370985, E-mail:corporate@hbportfolio.com
Website : www.hbportfolio.com, CIN : L67120HR1994PLC034148

August 16, 2022

Listing Centre

**The Listing Department
BSE Limited,
Pheroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001**

Company Code: 532333

Sub: Interim Dividend-FY 2022-23-Communication with regards to Income tax Deduction

Dear Sir/ Madam,

We are enclosing herewith the communication being sent to the shareholders through E-mail in connection with deduction of Income Tax at source and submission of documents for claiming tax exemption.

A copy of above communication is also available on the website of the Company, www.hbportfolio.com

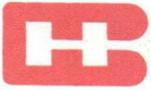
You are requested to take the above information on record and oblige.

Yours truly,

For HB Portfolio Limited

**Ajay Kumar Mohanty
Company Secretary & Compliance Officer**

Encl: As Above



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Ref: Folio / Demat ID:

Name of Shareholder:

Dear Sir/Madam,

As you are kindly aware that the Board of Directors, in their meeting held on August 12, 2022, has declared an Interim dividend of ₹0.80 (Eighty Paise only) per equity share (i.e. 8% on the face value of ₹10/- per share) for the financial year 2022-23.

Further, as per the Income-tax Act, 1961, dividends paid or distributed by the Company after April 1, 2020 is taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making payment of the above said dividend. In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/15H on annual basis and update details about their residential status, PAN, category as per the IT Act with their Depository Participants or in case of shares held in physical form, with the Company / R&TA, so that tax at source, if any, as per applicable rates may be deducted in respect of dividend payments made by the Company in future.

I. For resident shareholders

Tax shall be deducted at source under Section 194 of the Act @ 10% on the amount of dividend declared and paid by the Company during financial year 2022-23, subject to submitting of PAN details by the shareholder. In case PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Act. However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed ₹5,000/-. Please note that this includes the future dividends, if any, which may be paid by the Board during the financial year 2022-23.

In cases where the shareholder submits Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source shall be deducted.

[Click here](#) for Form 15G

[Click here](#) for Form 15H

II. For Non-resident Shareholders

Taxes are required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Income Tax Act, 1961, as per the rates as applicable. As per the relevant provisions of the 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, non-resident shareholders provide a certificate issued under Section 195/197 of the said Act for lower/Nil withholding of taxes, then the rate specified in the said certificate shall be considered.

Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:

1. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name (b) email id (c) contact number (d) address in residency country and (e) Tax Identification Number of the residency country;
2. Self-attested copy of Tax Residency Certificate (TRC) (for the period April 1, 2022 to March 31, 2023) obtained from the tax authorities of the country, of which the shareholder is a resident;
3. Self-declaration in Form 10F;
4. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April 1, 2022 to March 31, 2023); and
5. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA 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.

Apart from the above, if there is a change in your residential status, as per the provisions of the Income Tax Act, you are requested to get your residential status updated in your demat account or the physical folio, as applicable, before the Record Date.

III. Declaration u/s 199 of the Income Tax Act, 1961 read with rules thereunder

As per the provisions of section 199 of the Income Tax Act, 1961 read with Rule 37BA of the Income tax Rules, 1962, credit of TDS is to be given to the person in whose hands the income (on which the tax is so deducted) is assessable i.e., the actual beneficiary of dividend income under consideration. However, this granting of credit to the actual beneficiary, other than the deductee, is subject to a declaration filed by the deductee with the deductor, as specified under Rule 37BA(2) of the Income Tax Rules, 1962.

In case you hold a valid PAN and wish to avail the credit of tax deducted, then you are requested to update the said PAN details with the Registrar & Share Transfer Agent at the earliest, else the data available as on the Record Date in your demat account would be considered for the purpose of calculating the TDS as applicable. As the tax deducted would have been discharged by the Company within the stipulated timelines, followed up by the filing of TDS returns as required by the provisions of Income-tax Act, 1961, consequent requests for PAN updation and PAN correction may not be accepted.

IV. Notwithstanding the above, in case your PAN number falls under the category of "Specified Person" as per the Compliance Check Functionality on the Income Tax Portal, then the Company is required to deduct TDS @ 20% u/s 206AB of the Income Tax Act 1961.

** Specified Person, is a person who has not furnished its Return of Income in India for the previous financial year, the time limit for which has been expired under the provisions of the Income Tax Act 1961 and the aggregate of Withholding tax deducted exceeds ₹50,000/- in the current financial year.*

Accordingly, you are requested to submit the requisite documents in support of exemption from tax at source/deduction of tax at concessional rates, at the earliest in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. It may be further noted that in case, the tax on the said dividend is deducted at a higher rate in 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 appropriate refund, if eligible.

Further, in case you require the certificate of tax deducted at source, kindly send a request via email to corporate@hbportfolio.com with your name, demat account details/folio details etc. from your registered email ID to enable us to send the soft copy of TDS certificates in accordance with the provisions of the Act after filing of the quarterly TDS Returns of the Company.

Yours sincerely,

For HB Portfolio Limited

Sd/

Ajay Kumar Mohanty

Company Secretary