



Ref. No.: LIC/SE/2024-25/48

Date: July 04, 2024

To
The Manager
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400001
Scrip Code: 543526

The Manager
Listing Department,
The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex,
Mumbai-400051
Scrip Code: LICI

Dear Sir/Madam,

Sub: Communication to Members (Shareholders) – Intimation regarding Tax Deduction at Source (TDS) on Final Dividend for F.Y. 2023-24

We enclose herewith an e-mail communication, which is being sent to all the members of the Life Insurance Corporation of India (“the Corporation”) whose e-mail addresses are registered with the Corporation/RTA/Depository Participants, explaining the procedure of deduction of tax at source from Final dividend payable to the members for the Financial Year 2023-24 at prescribed rates, as may be applicable.

Please take the above information on record and arrange for dissemination. A copy of this intimation is also being made available on the website of the Corporation at www.licindia.in.

Yours faithfully,

For Life Insurance Corporation of India

(Anshul Kumar Singh)
Company Secretary & Compliance Officer

Encl.: a/a



LIFE INSURANCE CORPORATION OF INDIA
(constituted under the Life Insurance Corporation Act, 1956)
IRDAI Registration No. 512
Central Office: 'Yogakshema', Jeevan Bima Marg, Mumbai, Maharashtra – 400 021
Tel. No.: 022 – 2202 2079
Email: investors@licindia.com; website: www.licindia.in

Date: July 04, 2024

Ref: Folio / DP Id & Client Id No: _____

Name of the Shareholder(s): _____

Dear Member(s),

We are pleased to inform you that the Board of Directors of Life Insurance Corporation of India ("LIC" or "LIC" or "the Corporation"), in its meeting held on May 27, 2024, has recommended a final dividend of ₹6/- (Rupees Six only) per equity share of the face value of ₹10/- each (60%) for the Financial Year 2023-24, subject to declaration of the same by the members of the Corporation at the 3rd Annual General Meeting ("AGM") scheduled to be held on **Thursday, August 22, 2024**.

The dividend, as recommended by the Board of Directors and if declared at the 3rd Annual General Meeting, will be paid to those members holding equity shares of the Corporation, as on the **record date i.e., Friday, July 19, 2024**. The final dividend would be paid to the eligible members within a period of 30 days from the date of declaration of dividend, i.e., on or before September 20, 2024, through various online modes or any other permissible modes of payment to those members who have updated their bank account details with their Depository Participants ("DPs").

In case of non-availability of the bank details of any Member, the Corporation shall pay the final dividend to such Members through any permissible mode.

Members holding shares in physical form are requested to take note that SEBI vide circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that the security holders, holding securities in physical form, whose folio(s) does not have PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only upon their furnishing all the aforesaid details in entirety to Registrar and transfer Agent and payment shall be made only through electronic mode with effect from April 01, 2024.

In terms of the provisions of Income tax Act, 1961 ("Act"), as amended, w.e.f. April 1, 2020, dividend declared and paid by the Corporation is taxable in the hands of its members and accordingly Corporation is required to deduct tax at source ("TDS") at the time of payment of dividend. The deduction of tax at source will be based on the category of members and subject to fulfilment of conditions as provided herein below:

Table 1: Resident Members

For Financial Year 2024-25 taxes shall be deducted at source under Section 194 of the IT Act as follows:

| Section | Category of Members | Applicable Tax rate | Exemption applicability/ Documentation requirements |
|-----------------|--|---|---|
| 194 | Members having valid PAN | 10% or as notified by the Government of India | Update valid PAN if not already done with respective depositories |
| 206AA and 206AB | Members not having PAN / invalid PAN; and Members who is Specified Person as per Section 206AB of the Income-tax Act (Refer Point B of this communication) | 20% | Update valid PAN if not already done with respective depositories |

However, no tax shall be deducted on the dividend payable to a Resident Member (Individual), if the total dividend to be received by them during Financial Year 2024-25 (interim, final or by any other name called) does not exceed ₹5,000. **Where the PAN is either not registered or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or @ 20%.**

Table 2: The following Resident Members will be eligible for NIL/lower rate of TDS upon providing the documents to the Corporation mentioned hereunder to the satisfaction of the Corporation

| Section | Category of Members | Applicable TDS rate | Documentation requirement |
|---------|---|---------------------|--|
| 194 | Insurance Companies | NIL | <ul style="list-style-type: none"> A self-declaration that they are covered by the second proviso to Section 194 of the Income-tax Act, 1961 and has full beneficial interest with respect to the shares owned by it; Self-attested copy of IRDAI registration certificate; and Self-attested copy of PAN card. |
| 196 | Mutual Funds specified under Section 10(23D) | NIL | <ul style="list-style-type: none"> A self-declaration that they are governed by the provisions of Section 10(23D) of the Income-tax Act, 1961; Self-attested copy of SEBI registration certificate; and Self-attested copy of PAN card. |
| 196 | Government, Reserve Bank of India (RBI), Specified Corporations established by or | NIL | <ul style="list-style-type: none"> A self-declaration that they are governed by the provisions of Section 196 of the Income-tax Act, 1961 read with circular issued thereunder. Self-attested copy of relevant registry documents |

| | | | |
|-----------------------|--|--|--|
| | under Central Act whose income is exempt from tax | | <ul style="list-style-type: none"> Self-attested copy of PAN card. |
| 197(1F) | Alternative Investment Funds (AIF) | NIL | <ul style="list-style-type: none"> A self-declaration that the income of the AIF is exempt under Section 10(23FBA) of the Income-tax Act, 1961 and that they are governed as Category I or Category II AIF under the SEBI regulations; Self-attested copy of SEBI registration documents; and Self-attested copy of PAN card. |
| 197 | All resident shareholders holding Lower Deduction Certificate or Nil Deduction Certificate | Rate specified in the lower deduction certificate issued by Income tax Authorities | <ul style="list-style-type: none"> Self-attested copy of certificate under section 197 of the Act Please note the TAN of the Corporation to be mentioned in the lower deduction certificate as MUML13465E Self-attested copies of PAN card. |
| 197A (1) and 197A(1A) | Resident individuals submitting Form 15G/ 15H | NIL | <ul style="list-style-type: none"> Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. Self-attested copy of PAN card. |

Note: Application of NIL rate at the time of tax deduction / withholding on the dividend is subject to completeness and satisfactory review by the Corporation/RTA, of the documents submitted by such Member.

Table 3: Non-Resident Members:

| Section | Category of Members | Applicable TDS rate | Documentation requirement |
|---------------------|---|--|---|
| 195 and 196D | Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI) | 20% plus applicable surcharge and cess or as notified by the Government of India | <ul style="list-style-type: none"> Rate to be increased by applicable surcharge & cess. They are entitled to avail beneficial tax rate if any under Double Taxation Avoidance Agreements if documents referred in below are duly submitted. |
| 197 | All Non-resident shareholders holding Lower Deduction Certificate | Rate specified in the lower deduction certificate | <ul style="list-style-type: none"> Self-attested copy of certificate under section 197 of the Act Please note the TAN of the Corporation to be mentioned in the lower deduction certificate as MUML13465E |

| | | | |
|--------------|---|--|--|
| | | issued by Income tax Authorities | <ul style="list-style-type: none"> • Self-attested copies of PAN card |
| 206AB | Non-resident shareholders having Permanent Establishment (PE) in India and who is a specified person as per section 206AB (Refer Point B of this communication) | Twice the applicable rate would be applied | <ul style="list-style-type: none"> • Self-attested copies of PAN card |

A. Availing Benefits of DTAA by Non-Resident Members:

Pursuant to Section 90 of the Act, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the non-resident member will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN) if allotted, by the Indian Income Tax Authorities.
- Self-attested copy of Tax Residency Certificate (TRC) (of FY 2024-25 or calendar year 2024), valid as on the AGM date obtained from the tax authorities of the country of which the Member is resident;
- Electronically Filed Form 10F on Income Tax Portal as per Notification No. 03/2022 dated July 16, 2022 issued by the Income Tax Department
- Self-declaration in the format enclosed, certifying that –
 - Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Corporation;
 - Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - Member is the ultimate beneficial owner of the share(s) held in the Corporation as well as the dividend arising from such shareholding; and the member has the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person;
 - Member declares that it does not have and will not have any taxable presence, fixed base or permanent establishment in India as per the said tax treaty during the financial year 2024-25; and
 - Member hereby confirms that the above declaration should be considered to be applicable for all the shares held in the Corporation under PAN/ accounts declared in the form.

The Corporation is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Corporation/RTA, of the documents submitted by Non-Resident members.

B. Specified Person as per Section 206AA and 206AB of Income tax Act, 1961:

‘Specified Person’ means a person who has:

- not filed the income tax return for the previous year immediately prior to the financial year in which tax is required to be deducted, for which the time limit for filing the return of income under Section 139(1) of the Act has expired; and
- the aggregate of tax deducted at source (‘TDS’) and tax collected at source (‘TCS’) is INR 50,000 or more in that previous year.

A Non-resident who does not have the permanent establishment in India is excluded from the scope of a Specified person.

For specified persons who have not submitted their Permanent Account Number (‘PAN’) as well as not filed their return of income; tax shall be deducted at the higher of the two rates prescribed under Sections 206AA and 206AB of the Act.

C. Transferring credit to the beneficial owner:

As per Rule 37BA, in cases where the dividend is received in the hands of one person but is assessable in the hands of other person, the tax may be deducted in the name of such other person if the first-mentioned person provides a declaration as prescribed in this regard. The aforesaid declaration shall contain (i) name, address, PAN, and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. We request you to provide any such details latest by **5:00 p.m. (IST) on Friday, July 19, 2024.**

D. General instruction for Members:

1. Members holding shares under multiple accounts under different status/ category and single PAN, may note that, higher 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.
2. In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, **we request Resident members and Non-Resident members to upload the details and documents referred to in this communication in the format provided by us and as applicable to you at <https://ris.kfintech.com/form15>.** No communication on the tax determination / deduction shall be entertained beyond **5.00 (IST) p.m. on Friday, July 19, 2024.**
3. Further as per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act. The Corporation will be relying on the information verified by the utility available on the Income Tax website.
4. To receive dividend amount directly in bank account, we request you to update your bank account details and Permanent Account Number (PAN) with Depository Participant.

5. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal>.

E. No claim shall lie against the Corporation for such taxes deducted.

In the event of any demand for income tax (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Corporation and also provide the Corporation with all information/documents and co-operation in any relevant proceedings.

F. Submission of tax related documents:

Please CLICK on the following links to download/view the forms:

| | |
|---|----------------------------|
| Download/View - Form 15G | Click here |
| Download/View - Form 15H | Click here |
| Download/View - Declaration for No Permanent Establishment (PE) in India for Corporates | Click here |
| Download/View - Declaration for No Permanent Establishment (PE) in India for Non-Corporates | Click here |

We seek your co-operation in the matter.

Thanking you,

Yours sincerely,

For Life Insurance Corporation of India

-sd-

Anshul Kumar Singh
Company Secretary & Compliance Officer

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.