



## A) DIVIDENDS

### Receipt of Dividends through Electronic mode

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have directed that listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz., National Automated Clearing House (NACH), Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), etc.

In order to receive the dividend without loss of time (as and when declared by the Bank), all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants, their correct core banking account number, including 9 digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s). This will facilitate the remittance of the dividend amount as directed by SEBI directly in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will also enable sending communication relating to credit of dividend, unencashed dividend etc.

Shareholders holding shares in physical form may communicate details relating to their core banking account, viz., core banking account number, including 9 digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s) to the Registrars & Transfer Agents (R&T agent) viz., Datamatics Business Solutions Limited having address at Plot No. B 5, Part B Crosslane, MIDC, Marol, Andheri (E), Mumbai-400 093, by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their active core banking account along with a self-attested copy of their PAN card and a self-attested copy of any one of the documents mentioned hereafter: utility payment bills (not more than three months old) / bank pass book / passport / driving license to validate their present address.

### Various modes for making payment of dividend under electronic mode:

In case, the shareholder has updated core banking account details (including 9 digit MICR Code and 11 digit IFSC code) for the purpose of payment of dividend (as and when declared by the Bank), then the Bank shall make the payment of dividend to such shareholder under any one of the following modes:

1. National Automated Clearing House (NACH)
2. Real Time Gross Settlement (RTGS)
3. National Electronic Fund Transfer (NEFT)
4. Direct credit in case the shareholders have an active Bank account with HDFC Bank Limited (Direct Credit).

In case dividend paid by electronic mode is returned or rejected by the corresponding bank due to any reason then the Bank will issue a dividend warrant and print the bank account details available in its records on the said dividend warrant to avoid fraudulent encashment of the warrants. The dividend warrant will be dispatched by the R&T agent at the registered address of the shareholder.

### Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority

Pursuant to the applicable provisions of Section 124(6) of the Companies Act, 2013, all equity shares in respect of which dividend has / have remained unpaid or unclaimed for consecutive seven (7) years, the corresponding equity shares have been transferred in the name of IEPF Authority as notified by the Ministry of Corporate Affairs (MCA), Government of India. The MCA has also notified the applicability of Section 124(6) along with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 with effect from September 7, 2016, as amended from time to time (collectively the "IEPF Rules"). As per said IEPF Rules, companies are required to transfer the equity shares to IEPF Authority where seven (7) years as provided under Section 124(5) of the Companies Act, 2013 have been completed and upon completion of three (3) months from the date of the notification of the IEPF Rules, as stated hereinabove.

In compliance with the aforesaid provision on November 30, 2017, your Bank has transferred 5,524,448 equity shares to the IEPF Authority, MCA account (IEPF) bearing demat account no 12047200 13676780 which is opened with SBI CAP Securities Ltd as Depository Participant under the Central Depository Services (India) Limited (CDSL). As required under the said provisions, all subsequent corporate benefits that may accrue in relation to the above shares will also be credited to the IEPF Authority. Your Bank has further transferred 828,846 equity shares, 710,122 equity shares and 144,206 equity shares to the IEPF account on April 12, 2019, August 30, 2019 and August 25, 2020, respectively. During the year ended March 31, 2022, your Bank has further transferred 348,171 equity shares to the IEPF account on September 15, 2021. The IEPF Authority, till March 31, 2022, transferred 687,330 equity shares against the claims received by them from the shareholders. (Share figures reported are of the face value of ₹ 1.00 each).

As per the terms of Section 124(6) of the Companies Act, 2013 and Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares of the face value of ₹ 1.00 each stand transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF-5 which is available at <https://www.iepf.gov.in>.

## Guidelines to file your claim

- For claiming the shares and dividend from the IEPF Authority, shareholders can make an online web based application through MCA portal. Shareholders need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, shareholders have to click on "MCA Services" tab and choose "IEPF-5" option under "Investor Services" and follow the due process for filing the form.
- Printout of the duly filled Form IEPF-5 with claimant and joint holders' (if any) signature and along with the acknowledgment issued after uploading the form will have to be submitted together with an indemnity bond in original, cancelled Cheque leaf of active bank account (details of which are mentioned by the claimant at the time of uploading the web-based form), and other documents as mentioned in Form IEPF-5 to the Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority". Certain information about the Bank which will have to be submitted are as under:
  - Corporate Identification Number (CIN) of the Bank: L65920MH1994PLC080618
  - Name of the Bank: HDFC Bank Limited
  - Address of registered office of the Bank: HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013
  - Email ID of the Bank: [shareholder.grievances@hdfcbank.com](mailto:shareholder.grievances@hdfcbank.com)

## Unclaimed Dividends

As per the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education and Protection Fund (IEPF), all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the financial year ended March 31, 2014 have already been transferred to the IEPF and the dividend for the financial year ended March 31, 2015 will be transferred to the IEPF around August 31, 2022. The details of unclaimed dividends for the financial year ended 2015 onwards and the last date for claiming such dividends are given hereinafter:

Dividend for the year ended	Date of Declaration of dividend	Last date for claiming dividend
March 31, 2015	July 21, 2015	July 20, 2022
March 31, 2016	July 21, 2016	July 20, 2023
March 31, 2017	July 24, 2017	July 23, 2024
March 31, 2018	June 29, 2018	June 28, 2025
March 31, 2019	July 12, 2019	July 11, 2026
Special Interim Dividend 2019-2020	July 20, 2019	July 19, 2026
March 31, 2021	July 17, 2021	July 16, 2028

## B) SHARES LYING IN UNCLAIMED SUSPENSE ACCOUNT

Particulars	Records / No. of shareholders	Equity Shares (Face value of ₹ 1.00 each)
Opening Balance as on April 1, 2021	4,009	1,669,878
Less: Claims received and shares transferred *	143	81320
Less: Shares transferred to IEPF account	663	211760
Closing Balance as on March 31, 2022 **	3203	1,376,798

\* Number of shareholders who approached the Bank for the transfer of shares from the suspense account.

\*\* Voting rights on these shares shall remain frozen till the rightful owners of such shares claim these shares.

## Deduction of tax at source on dividend

In terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a company on or after April 1, 2020 is taxable in the hands of the shareholders. The company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

### • For Resident shareholders

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed/paid to them by the company during a financial year does not exceed ₹ 5,000.

Tax will not be deducted at source in cases where a shareholder provides Form 15G (applicable to all individuals) / Form 15H (applicable to an individual above the age of 60 years), provided



that the eligibility conditions are satisfied. **Please note that all fields mentioned in the aforesaid forms are mandatory and the Bank may reject the forms submitted, if they do not fulfil the requirement of the law.**

Needless to mention, valid Permanent Account Number (“PAN”) will be mandatorily required. Shareholders who are required to link Aadhaar number with PAN as required under Section 139AA(2) read with Rule 114AAA, should compulsorily link the same. If, as required under the law, any PAN is found to have not been linked with Aadhaar, then such PAN will be inoperative and tax would be deducted at a higher rate under Section 206AA of the Act. The Bank reserves its right to recover any demand raised subsequently on the Bank for not informing the Bank or providing wrong information about applicability of Section 206AA in your case.

Nil / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

- i. **Insurance companies:** Declaration that the provisions of Section 194 of the Act are not applicable to them along with self-attested copy of registration certificate and PAN card.
- ii. **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption under section 10(23D) of the Act along with self-attested copy of registration documents and PAN card.
- iii. **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the applicable SEBI regulations, along with copy of self-attested registration documents and PAN card.
- iv. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- v. **Other shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- vi. Shareholders who have provided a valid certificate issued under section 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the Income Tax authorities along with declaration.

- **For non-resident shareholders (including Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has 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 shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities
- ii. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident
- iii. Self-declaration in Form 10F
- iv. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act)
- v. In case of Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
- vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA)

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by non-resident shareholders and meeting requirements of the Act read with applicable DTAA. It must be ensured that self-declaration should be addressed to HDFC Bank and should be in the prescribed format. In absence of the same, the Bank will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

## • Section 206AB of the Act

Rate of TDS @10% under Section 194 of the Act is subject to provisions of Section 206AB of the Act which provides for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at the highest of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on dividend, the Bank will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

**To summarise**, dividend will be paid after deducting the tax at source as under:

- i. Nil for resident shareholders receiving dividend upto ₹ 5,000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- ii. 10% for other resident shareholders in case copy of PAN card is provided / available.
- iii. 20% for resident shareholders if copy of PAN card is not provided / not available / not linked with Aadhaar Number.
- iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- v. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- vi. Lower / Nil TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules, 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Bank in the manner prescribed by the said rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Bank for such taxes deducted.

## Updation of Bank account details

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter mentioning the folio number, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a self-attested copy of your PAN. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

**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.