



Honeywell Automation India Limited
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July 25, 2020

COMMUNICATION TO SHAREHOLDERS OF HONEYWELL AUTOMATION INDIA LIMITED

Dear Shareholders,

We are pleased to inform you that the Board of Directors at their Meeting held on May 22nd, 2020 have declared a Final dividend of Rs.75 /- per Equity Share for the Financial Year ended March 31, 2020. As you are aware that as per the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders.

Pursuant to Income Tax Act, 1961, ("the IT Act") as amended by **Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020.** To comply with above requirement and ensure there is no non-compliance, the company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

A **Resident individual shareholder** taxes shall be deducted at source under Section 194 of the IT Act as follows

Members having valid PAN	7.5% 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 2020-21 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 lower deduction certificate obtained from the respective jurisdictional tax officer u/s 197 of the IT Act, to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20% instead of 7.5%. For **Resident shareholders other than individuals**, in order to provide an exemption from tax withholding, you should submit the relevant document along with exemption notification, if any, as per the relevant provisions of the Income-tax Act, 1961. The required documents are to be uploaded on the portal, which can be accessed at <https://zfrmz.com/A1c5U8NwRVOiS5JQ5iWC> on or before **August 11, 2020**.

For easy reference the document to be submitted by resident shareholder include the following:

- a. Scan Copy of PAN Card
- b. Signed copy of Form 15G if applicable for lower tax deduction (format attached)
- c. Signed copy of Form 15H, if applicable for lower tax deduction (In case of Resident Individual's age 60 years or more) (format attached)
- d. Lower TDS Certificate issued u/s. 197 of IT act for lower / nil rate

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the documents on the portal which can be accessed at <https://zfrmz.com/A1c5U8NwRVOiS5JQ5iWC> on or before **August 11, 2020**. For easy reference of the shareholders we have attached the respective format of No Permanent Establishment and Beneficial Ownership Declaration, and Form 10F. The document to be submitted by non-resident shareholder include the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue 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

For easy reference of the shareholder we have also attached a sample presentation on determination of residential status*.

Please let us know in case of query or any assistance required at dedicated email id only:
HAIL.Dividend2020@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/A1c5U8NwRVOiS5JQ5iWC>

One can also access the portal using the QR code

