



## ACME Solar Holdings Limited

(formerly ACME Solar Holdings Private Limited)

CIN: L40106HR2015PLC102129

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28<sup>th</sup> April, 2025

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

Name of the Shareholder: XXXXXXXXXX

Dear Shareholder,

Sub: Deduction of Tax at Source on Interim Dividend on equity shares of ACME Solar Holdings Limited ("the Company").

The Company hereby informs that the board of directors of the Company ("Board of Directors"), at its meeting held on Friday, April 25, 2025, declared Interim Dividend of Rs. 0.20 per equity share of Rs. 2 each fully paid up.

The Board of Directors, at the above referred meeting, has fixed Friday, May 02, 2025 as the "Record Date" for determining the eligibility of shareholders to receive the interim dividend. The shareholders, holding equity shares of the Company, as on the Record Date, shall be eligible to receive the interim dividend. The payment of interim dividend would be made to the eligible shareholders on or before Saturday, May 24, 2025 in accordance with the provisions of the Companies Act, 2013.

As per Income-tax Act, 1961 ("the Act"), a dividend declared and paid by a company is taxable in the hands of shareholders. Further, the company is required to deduct tax at source ("TDS") from dividends paid to the shareholders at the applicable rates. The Company shall therefore be required to deduct TDS at the time of making the payment of the said interim dividend to its equity shareholders. The TDS / withholding tax rate would depend on the residential status of the relevant shareholder and the exemptions as enumerated in the Act, subject to submission of the requisite documents by the relevant shareholder.

Please note that, no TDS will be deducted if the total dividend received by a resident individual during the FY 2025-26 does not exceed Rs. 10,000 and this shall include the future dividends, if any, which may be declared by the Board of Directors in the FY 2025-26.

The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company/ Registrar & Share Transfer Agent (RTA) of the Company. For detail on TDS rate and documents to be submitted by the shareholders for various categories, please refer to Enclosure 1 attached hereto.

The self-attested copies of the documents for the purpose of TDS are to be submitted by the shareholders to KFin Technologies Limited ("RTA") at email id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by Saturday, May 03, 2025. The Company will not be able to consider the documents/communication sent after this date.

In case, TDS on dividend is deducted at a higher rate in the absence of receipt of the requisite information and documents as specified in Enclosure 1, the shareholders would still have the option of claiming refund of the excess tax paid at the time of filing his/her/its income tax return by consulting their tax advisor. No claim shall lie against the Company for such taxes deducted.

Shareholders will 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/>.

The shareholders are requested to register / update their PAN, bank account details, email id and mobile number with the Depository Participants.

Thanking You,

for ACME Solar Holdings Limited  
(formerly ACME Solar Holdings Private Limited)

Sd/

Rajesh Sodhi  
Company Secretary

Enclosure 1

As per amendment in Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from April 01, 2020. Pursuant to the requirement, the Company is required to withhold taxes at the

prescribed rates on the dividends paid to its shareholders. In this connection, the shareholders are requested to take note of the following:

A. Resident Shareholders:

- i. TDS shall be deducted at the rate of 10% under Section 194 of the Act on the amount of dividend declared and paid by the Company for the FY 2025-26 to resident shareholders provided, valid PAN of the shareholder is available.
- ii. However, TDS shall be deducted at higher rates as stated below in the following circumstances:
  - Invalid PAN or Non-availability of the PAN: If the PAN is not available in the Company's Register of Members or the provided PAN is "invalid", TDS shall be deducted at the rate of 20% as per Section 206AA of the Act.
  - PAN not linked with Aadhaar:
- In case of resident individual shareholders, who have not linked their PAN with Aadhaar, their PAN will be considered as inoperative. In such cases, the Company would be considering such PANs as invalid and will deduct taxes at higher rate i.e., 20% in accordance with the provisions of Section 206AA of the Act.
- The list of shareholders in whose case the PAN is not linked with their Aadhaar, shall be obtained from the functionality of the reporting portal made available by the Income Tax department.
- In case the individual shareholder who does not possess the Aadhaar number or the Enrolment ID and satisfying any of the following condition:
  - i. not a citizen of India, or
  - ii. aged eighty years or more at any time during the FY 2025-26 or
  - iii. residing in the states/UT of Assam, Jammu & Kashmir and Meghalaya then such shareholder may furnish a declaration to the said effect so that the TDS may be deducted at normal rates keeping in view the exemption provided by Central Board of Direct Taxes ("CBDT") vide Notification No. 37/2017 dated 11.05.2017.
- iii. In case of the following category of resident shareholders, no TDS shall be deducted or the TDS shall be deducted at lower rate, as the case may be, subject to submission of the documents specified below:
  - Form 15G/15H: In cases where the shareholder provides valid Form 15G (for individuals below 60 years and HUF, with dividend income not exceeding maximum amount of income which is not chargeable to tax and tax on the estimated total income of the financial year in which such dividend income is to be included is NIL) or Form 15H (for individual above the age of 60 years, tax on the estimated total income of the financial year is NIL), no TDS shall be deducted on the dividends paid to those shareholders. Format for Form15G / Form 15H can be downloaded from the link given at the end.

- Certificate for lower/Nil deduction: In case, the shareholder provides valid certificate for lower/Nil deduction under Section 197 of the Act, TDS shall be deducted as per the rate specified in the certificate.
- Insurance Companies: No TDS shall be deducted if the insurance company submits a self- Declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with Insurance Regulatory and Development Authority of India (IRDAI) and is eligible to claim the exemption under the second proviso to Section 194 of the Act. The said certificate shall also be accompanied with self-attested copy of PAN and IRDAI registration certificate.
- Mutual Funds: No TDS shall be deducted if the Mutual fund submits a self-declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with Securities and Exchange Board of India (SEBI) and is eligible to claim the exemption under Section 10(23D) of the Act. The said certificate shall also be accompanied with a self-attested copy of its PAN and SEBI registration certificate.
- Other shareholders covered under Section 196: No TDS shall be deducted if documentary evidences for coverage under Section 196 of Act are submitted in respect of other shareholders covered under Section 196 of IT Act such as Government, RBI or corporations established by Central Act which is under any law for the time being in force, exempt from income tax on its income.
- Alternate Investment Fund (AIF) Category I and II: No TDS shall be deducted if self- declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the IT Act, for exemption from TDS under Section 197A (1F) and that they are established as Category I or Category II AIF under the SEBI regulations is submitted. Copy of self-attested registration documents and PAN card should also be provided.
- Recognized Provident funds/ Approved Superannuation fund/ Approved Gratuity Fund: No TDS shall be deducted if necessary documentary evidence as per Circular No. 18/2017 dated May 29, 2017 issued by the CBDT have been submitted.
- National Pension Trust: No TDS shall be deducted if self-declaration along with self-attested copy of documentary evidence supporting the exemption from TDS under Section 197A (1E) of Act and self-attested copy of PAN card is submitted.
- Any other entity entitled to exemption from TDS: In case any resident shareholder (other than those specified above) is exempted from TDS deduction as per the provisions of Act or by any other law or notification, a valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

iv. No tax shall however be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the FY does not exceed Rs. 10,000/-.

B. Non-resident shareholders [including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs)]:

- i. Tax is normally required to be withheld at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D, as the case may be, of the Act subject to beneficial provisions of the relevant Double Tax Avoidance Agreement ("DTAA/Treaty").

- ii. As per Section 90 of the Act, a non-resident shareholder (including FIIs/FPIs) has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if provisions of the DTAA are more beneficial to the shareholder.

However, in order to avail the tax treaty benefits, the non-resident shareholder will have to provide all of the following documents:

- Self-attested copy of PAN allotted by the Indian Income Tax Authorities.  
In case PAN is not available, details as prescribed under rule 37BC of the Income-tax Rules, 1962 ("the Rules") to be furnished as follows:
  - name, e-mail id, contact number;
  - address in the country or specified territory outside India of which the shareholder is a resident;
  - a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate i.e., Tax Residency Certificate ("TRC")
  - Tax Identification Number of the shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the shareholder is identified by the Government of that country or the specified territory of which he/she/it claims to be a resident.
- Self-attested copy of valid TRC obtained from the Tax Authorities of the country of which the shareholder is a resident (valid for FY 2025-26);
- Online Form 10F filed on the Income Tax Portal valid for FY 2025-26.
- Self-declaration letter of having no Permanent Establishment in India, Beneficial ownership of shares and dividend income and eligibility to claim treaty benefits duly signed and stamped on letterhead and format for the same can be downloaded from the link given at the end.

Self-attested copy of any other document as prescribed under the Act for lower withholding of taxes, if applicable.

- iii. Further, in case the non-resident shareholder is eligible to claim deduction of TDS at a lower/NIL rate, TDS shall be deducted at such lower/NIL rate, subject to submission of the documents specified below:
- Lower deduction certificate under Section 197 or 195(3) of the Act as the case may be, obtained from the Income Tax Authority. In case of an Indian branch of a foreign bank, the lower deduction certificate is also to be supported with a self-declaration confirming that the income is received by the Indian branch on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
  - In case any non-resident shareholder is exempted from TDS as per the provisions of Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947, etc., necessary documentary evidence substantiating exemption shall be submitted.
- iv. It may be noted that tax is required be deducted at the rate of 35% (plus applicable surcharge and cess), in case of such non-resident shareholders who have a Permanent Establishment (PE) in India.

If the non-resident shareholder does not have a PE in India, the non-resident shareholder is required to furnish a declaration duly signed and stamped to such effect to ensure that taxes are not held at such applicable higher rate.

Further, non-resident shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A (1) of the Act, tax is required to be deducted at 30%.

C. NOTE:

- i. The shareholders are requested to complete and / or update their Residential Status, PAN, Category etc. as per the Act with the depository participants so that the deduction of TDS is carried out appropriately.
- ii. If the PAN is not valid as per the database of the Income-tax Portal, it would be considered as invalid PAN.
- iii. If the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the record date and in order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income.
- iv. Shareholders holding equity shares in the Company 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 are held under a PAN will be considered on their entire holding in different accounts.
- v. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members on the record date and any other additional documents that may be submitted.
- vi. Further, the documents are required to be uploaded by shareholders on the KFin Technologies Limited's portal at <https://ris.kfintech.com/form15/> or should be submitted by e-mail at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for claiming TDS exemption/lower deduction by 11:59 p.m. IST on or before May 03, 2025. No communication would be accepted from shareholders after the said date.
- vii. Application of beneficial TDS rates (including the beneficial DTAA rates) or exemption from TDS for shareholders shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the shareholders. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents or upon documents being found to be non- satisfactory upon review by the Company, shareholder would still have the option of claiming refund of the excess tax paid at the time of filing his/ her/its income tax return. No claim shall lie against the Company for such taxes deducted.
- viii. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholder/ member(s), such shareholder/ member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

The applicability of tax benefit based on the above documents is subject to verification by the RTA.

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the

communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders may note that, since the tax consequences are dependent on facts and stances of each case, they are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

To verify the tax deduction, the shareholders can also check their Form 26AS/ Annual Information Statement (AIS) from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>

Disclaimer: The above information is included for general information purpose only and does not constitute tax or legal advice. In view of the individual nature of the tax implications, each investor is advised to consult his or her own tax advisors with respect to the specific tax implications

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