

**HFFCIL/BSE/NSE/EQ/25/2024-25**

**Date: 31-05-2024**

To, <b>BSE Limited,</b> Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Scrip Code- <b>543259</b>	To, <b>The National Stock Exchange of India Limited,</b> The Listing Department, Bandra Kurla Complex, Mumbai- 400 051. Scrip Symbol- <b>HOMEFIRST</b>
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**Sub: Communication to Shareholders - Intimation of Tax Deduction on Dividend**

Dear Sir/Madam,

In furtherance to our intimation dated May 8, 2024 vide reference number HFFCIL/BSE/NSE/EQ/09/2024-25 wherein the Board has recommended to pay a dividend of Rs. 3.40/- per equity share to the eligible Shareholders, subject to the approval at the ensuing Annual General Meeting (“AGM”) scheduled to be held on Thursday, June 20, 2024. We would further like to inform the Exchanges that the Company has set the record date as Friday, June 07, 2024 to be eligible for dividend and Shareholders who wish to claim tax deduction can share the required documents by June 10, 2024 to the Company / RTA.

In this regard the Company has sent a communication to all the shareholders having their Email-IDs registered with the Company/Depositories on Thursday, May 30, 2024, elaborating the process to be followed and formalities to be complied by the Shareholders to ensure appropriate deduction of tax on the dividend. The communication is attached as “**Annexure I.**”

This is for information purpose for all the Shareholders.

Kindly take the same on your record.

For **Home First Finance Company India Limited**

**Shreyans Bachhawat**  
**Company Secretary and Compliance Officer**  
**ACS NO: 26700**

**HOME FIRST FINANCE COMPANY INDIA LIMITED**

CIN: L65990MH2010PLC240703

**Registered Office:** 511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai- 400 059.**Tel No.:** +91 22 6694 0386**Website:** [www.homefirstindia.com](http://www.homefirstindia.com)**E-mail:** [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)**May 30, 2024****Dear Member,****THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on May 8, 2024, has recommended a dividend of ₹3.40/- each per Equity Share of face value ₹ 2/- each (i.e. 170% of the face value of the equity shares), for the Financial Year ended March 31, 2024.

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting (“AGM”) to be held on June 20, 2024, will be paid to shareholders holding equity shares of the Company, in electronic as on the record date i.e. Friday, June 07, 2024.

As you are aware, as per the provisions of the Income Tax Act, 1961 (“Act”) as amended by the Finance Act, 2020, dividend paid or distributed by the Company on or after April 01, 2020 shall be taxable in the hands of the shareholders. Therefore, the Company is required to deduct tax at source (“TDS”) at the rates applicable on the amount distributed to the shareholders, if approved at the AGM of the Company scheduled to be held on June 20, 2024. The tax deduction / withholding tax rate would vary depending on the residential status of the shareholder and the exemptions as enumerated in the Act subject to fulfilling the documentary requirements.

This communication provides a brief of the applicable TDS provisions under the Act for Resident and Non-Resident shareholder categories.

**I. FOR RESIDENT SHAREHOLDERS**

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / invalid PAN / PAN is not linked to Aadhaar not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

### a. Resident Individuals

No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during the Financial Year (FY) 2024-25 does not exceed ₹5,000/-; or
- ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form, if it does not fulfil the prescribed requirement under the Act. The template of Form 15G and Form 15H are enclosed as [Annexure 1](#) and [Annexure 2](#), respectively.
- iii. Exemption certificate is issued by the Income-tax Department, if any.

### b. Resident Non-Individuals

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in [Annexure 3](#).

- i. **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDAI)/ LIC/ GIC.
- ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self-declaration that its dividend income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- vi. In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy to the company.

## II. FOR NON-RESIDENT SHAREHOLDERS

### a. As per Domestic Tax Law

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act 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 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

**b. As per Double Tax Avoidance Agreement (DTAA)**

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the 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 DTAA benefit, the non-resident shareholders are required to submit the following:

- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) (financial year April 1, 2024 to March 31, 2025) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Digital Form 10F downloaded from <https://eportal.incometax.gov.in/>
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (Financial year April 1, 2024 to March 31, 2025) - [Annexure 4](#).
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, 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 evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

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.

Accordingly, to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned, above, on or before Monday, June 10, 2024. Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

**PAYMENT OF DIVIDEND**

The dividend on Equity Shares for FY24, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as mentioned in the earlier paragraphs. The following provisions under the Act will also be considered to determine the applicable TDS rate:

### **A. TDS to be deducted at higher rate in case of non-filers of Return of Income**

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The non-resident who does not have the permanent establishment and resident who is not required to file a return under section 139 of the Act are excluded from the scope of a specified person.

As directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of specified person for the purpose of Section 206AB of the Act.

### **B. Declaration under Rule 37BA**

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 Company in the manner prescribed in the Rules.

### **C. For shareholders having multiple accounts under different status / category:**

Shareholders holding Ordinary 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.

### **SUBMISSION OF TAX RELATED DOCUMENTS:**

The documents such as Form 15G/ 15H, documents under section 196, 197A, etc. can be uploaded on the link <https://ris.kfintech.com/form15/forms.aspx?q=0> on or before Monday, June 10, 2024 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post Monday, June 10, 2024 shall not be considered.

Shareholders can send the other documents at the following email id:

Email ID	<a href="mailto:Einward.ris@kfintech.com">Einward.ris@kfintech.com</a>
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Documents sent to any other email ids may lead to non-submission of documents and attract TDS as per the provisions of the Act.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in the 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 an appropriate refund, if eligible.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>.

**UPDATION OF BANK ACCOUNT DETAILS:**

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts. We seek your cooperation in this regard.

Thanking you,

Yours faithfully,  
For Home First Finance Company India Limited

Sd/-  
Shreyans Bachhawat  
Company Secretary & Compliance Officer

**Disclaimer:** This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent.

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