

FAQ's on Taxation of Dividend

1. I am a resident shareholder. Will my dividend be subject to TDS?

Effective April 1, 2020, Dividend is taxable in the hands of shareholders and therefore TDS will also be deducted as per the provisions of Income-tax Act, 2025 ('the Act').

2. I am a resident shareholder (i.e., Individual, HUF, BOI, AOP, Partnership Firms, and Corporations). At what rate will TDS be deducted?

TDS will be deducted @10% of dividend paid.

However, in case of **resident individual shareholders**, no TDS will be deducted where the total dividend paid does not exceed **Rs. 10,000** in a financial year. This threshold is not applicable to other categories of shareholders.

For all other categories of shareholders (including individuals receiving dividend in excess of Rs. 10,000), availability of Permanent Account Number ('PAN') with the Depository Participant ('DP')/ Registrar to an Issue and Share Transfer Agent ('RTA') is mandatory, else tax rate of 20% would be applied. Accordingly, shareholders are advised to immediately update their PAN with the DP/RTA.

Shareholders not having PAN (not registered/invalid PAN/Inoperative PAN*), TDS shall be deducted @20% as per section 397(2) of the Act.

**Please note that as per provisions of the Act, every person holding a PAN needs to intimate his Aadhaar number to the Income tax department (PAN-Aadhaar linking). Further, as per Rule 162 of the Income Tax Rules, 2026 ('the Rules'), where a person fails to do so the PAN of such person shall become inoperative and where tax is deductible on payment to such person it will be subject to higher TDS rates as per provisions of section 397(2) of the Act. 'PAN-Aadhaar linkage' status will be determined using the Compliance Check functionality of the Income Tax Department.*

3. I am a resident individual or a person (other than Company or Firm) and my dividend receipt is subject to TDS. However, tax on my estimated total income for the relevant financial year after including this dividend income on which tax is to be deducted will be NIL. Can I then request the Bank not to deduct tax at source and to pay the amount without deduction of tax at source?

Yes, in case you are resident Individual shareholder and your total income is not exceeding the income chargeable to tax in India as per Income Tax Act, 2025, then you can submit Form no. 121 (previously known as Form 15G/15H) along with copy of self-attested PAN card. Please note Form no. 121, if applicable, is to be filed every Tax Year ('TY'), preferably in the month of April (beginning of the TY). Please ensure that your correct PAN card details are already updated in your demat account/physical folio as the case may be before applying so.

Form 121 is available at

<https://www.incometaxindia.gov.in/documents/d/guest/form-no-121-1>

4. Where does the shareholder need to update the PAN?

Demat Shareholding: If the shares are held in Demat form, the PAN needs to be updated with the Depository Participant.

Physical Shareholding: If the shares are held in physical form, the PAN needs to be updated with the Bank's RTA – Kfin Technologies Limited, Selenium Building, Tower-B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032.

5. Are there any residents exempted from deduction of TDS on Dividend?

Yes, illustrative list of entities which are exempt from TDS on dividend, subject to fulfilment of conditions given under the Income tax Act and Rules and on provision of requisite documents is, as under:

- Insurance entities (LIC, GIC, etc.): TDS is not applicable on payment of dividend to these insurance entities which are given exemption under section 393(4) [Table: Sl. No. 10] of the Act. Such Insurance entities should provide a self-declaration that they are engaged in insurance business with a self-attested copy of PAN card and registration certificate with Insurance Regulatory and Development Authority ('IRDA').
- Mutual Funds: In terms of Section 393(5), TDS is not applicable on payment of dividend to Mutual Funds covered under section 11 r.w Schedule VII (Table: Sl. No. 20 or 21) of the Act . Such Mutual Funds should provide a self-declaration that they are covered under section 11 r.w Schedule VII (Table: Sl. No. 20 or 21) of the Act, with a self-attested copy of PAN card and registration certificate.
- Indian Government entities: TDS is not applicable on payment of dividend made to Government, Reserve Bank of India ('RBI'), Corporations established by or under Central Act whose income is exempt from tax. Declaration should be provided that they are covered under provisions of section 393(5) of the Act. Such corporations should provide documentary evidence for the aforesaid.
- Alternate investment fund (category – I & II): TDS is not applicable on payment of dividend to Alternate investment fund (category – I & II), covered by Notification No.51/2015 dated June 25, 2015, where dividend is exempt under section 11 r.w Schedule V [Table: Sl. No. 1] and this entity is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012. Such entities should provide a self-attested copy certificate of registration as a Category I or a Category II Alternative Investment Fund with self-attested copy of PAN card.
- Persons who have obtained a certificate under section 395(1) of the Act: TDS would be deducted as per the lower or nil rate that may be mentioned in the certificate under section 395(1) of the Act. The certificate furnished to the Company should specifically mention the TAN - MUMA67455D and the nature of income as dividend, amount expected and the payer as Axis Bank Limited.

Other persons who may be exempt under any other provisions of the IT Act: The Company, in absence of any express dispensation in the statute, would generally do TDS on dividend payments to such persons so as to comply the provisions of the IT Act. However, in a case where a shareholder furnishes –
a) relevant documentation to suggest that it is exempt from tax; and b) a specific notification/circular issued by the CBDT stating that TDS should not be done on payments to such a shareholder, the Bank may consider the documents and determine TDS applicability.

6. What is benefit under Rule 203?

In terms of Rule 203 of Income Tax Rules, 2026, 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 Bank in the manner prescribed by the Rules.

7. What is the Withholding tax ('WHT') rate applicable for Non-Resident shareholders?

Withholding tax rates for different categories of Non-resident shareholders are tabulated below:

Section	Particulars	Applicable TDS Rates	Remarks
393(2) [Table Sl. No. 17] read with section 207(1) [Table Sl. No. 1]	Non-resident Shareholders (including Foreign Institutional Investors ('FIIs')/ Foreign Portfolio Investors ('FPIs'))	20%	<ul style="list-style-type: none"> • Rate to be increased by applicable surcharge & cess. • Non-resident shareholders to be entitled to avail beneficial tax rate if any under Double Taxation Avoidance Agreements if documents referred below are duly submitted.
393(2) [Table Sl. No. 13]	Non-resident shareholder being Depository for Global Depository Receipt ('GDR')	10%	<ul style="list-style-type: none"> • Declaration that it is covered by section 393(2) of the Act • Rate to be increased by applicable surcharge & cess
395(1)	All non-resident shareholders who furnishes Lower Deduction Certificate/Nil Deduction Certificate	Rate specified in the lower deduction certificate issued by the income tax department	<ul style="list-style-type: none"> • Self-attested copy of certificate under section 395(1) of the Act. • Please note the TAN of Axis Bank Limited to be mentioned in the lower/nil deduction certificate as MUMA67455D

8. What are the documents required to be furnished by a non-resident shareholder, whether or not a FI/FPI (other than Depository for GDRs), to avail tax treaty benefit?

In order to avail tax treaty benefits, non-resident shareholders would be required to submit the following documents to the satisfaction of the Bank:

- a. Self-attested copy of Tax Residency Certificate ('TRC') for Tax year 2026-27. TRC can be obtained from the Revenue/Tax authorities of the country of which the shareholder is resident.
- b. E-filed copy of Form 41 generated electronically from the Indian Income tax portal.

<https://www.incometaxindia.gov.in/documents/d/guest/form-no-41-1>

- c. Self-attested Copy of PAN Card allotted by the Indian Income Tax authorities, if available;
- d. Self-declaration inter-alia of beneficial ownership, not having a PE in India, etc.

Please note that the Bank is not obligated to apply the beneficial treaty rates at the time of tax deduction of TDS on dividend. Application of beneficial treaty rate shall depend upon the completeness and satisfactory review by the Bank of the documents submitted by the non-resident shareholder.

If the documents are not provided or are not complete in order to provide the beneficial treaty rates, then tax will be deducted at 20% plus applicable surcharge and cess.

9. What are the timelines to submit documents?

All the above-mentioned documents should be uploaded in this link <https://ris.kfintech.com/form15/> on or before July 10, 2026. Failure to do so will attract higher TDS rates as mentioned in the above paragraphs.

10. Where will be information on tax deducted be available?

Shareholders can check Form 168 from their e-filing accounts at <https://www.incometax.gov.in/iec/foportal/>

FORM NO. 121

[See rule 211]

Declaration under section 393(6) for receipt of certain incomes without deduction of tax

PART A

[To be Filled by the person for receipt of certain incomes without deduction of tax]

Details of the declarant				
1.	Name	<i>(refer Note 1)</i>		
2.	Address	<i>(refer Note 2)</i>		
3.	Permanent Account Number			
4.	Status	<i>(refer Note 3)</i>		
5.	Residential status	<i>(refer Note 4)</i>		
5(a).	If resident individual, whether age is 60 years or more at any time during the tax year	<i>Yes/no</i>		
6.	Email id			
7.	Contact number	Country Code	Number	
8.	Tax Year (for which declaration is made)			
Details of income				
9.	Nature of income	<i>(refer Note 5)</i>		
10.	Estimated income for which declaration is made			
11.	Details of Form No. 121 other than this form filed during the tax year, if any	<i>(refer Note 6)</i>		
11(a).	Total number of Form No. 121 filed earlier			
11(b).	Aggregate amount of income for which Form No. 121 were filed			
12.	Aggregate amount of income for which declaration is made during the tax year [sum of column 10 and 11(b)]			
13.	Estimated total income of the tax year including the income mentioned in column 12	<i>(refer Note 7)</i>		
14.	Details of the ITR filed for previous two tax years			
	Sl. No.	Tax Year	Acknowledgment Number	Return Income
	1.			
	2.			

DECLARATION

I..... having Permanent Account Number do hereby declare that

- (i) to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.
- (ii) the incomes referred to in this form are not includible in the total income of any other person under sections 96 to 99.

- (iii) tax on my estimated total income as referred to in column 13 of Part A (including the income referred to in column 12 of Part A) for tax year... will be nil.
- (iv) my income as referred to in column 12 of Part A does not exceed the maximum amount not chargeable to tax for tax year..... *(not to be applicable in case of resident individual of age of sixty years or more at any time during the tax year)*
- (v) in case this declaration is found to be false, I shall be liable to prosecution/penalty under the Act.

Place:

Signature of the Declarant

Date:

Name:

PART B

[Verification by the person who has received declaration(s) in Part-A from the declarant(s) and responsible for paying the income in respect of which this declaration is made]

Details of the person responsible for paying income			
1.	Name	<i>(refer Note 1)</i>	
2.	Address	<i>(refer Note 2)</i>	
3.	Tax Deduction and Collection Account Number		
4.	Permanent Account Number		
5.	Email id		
6.	Contact number	Country Code	Number
7.	Tax Year		
Details of the declarant and the declarations received			
8.	Name of the declarant	<i>(refer Note 1)</i>	
9.	Permanent Account Number		
10.	Unique Identification Number		
11.	Date of Birth/Incorporation	<i>(dd/mm/yyyy)</i>	
12.	Address	<i>(refer Note 2)</i>	
13.	Email id		
14.	Contact number	Country Code	Number
15.	Estimated income for which declaration is made	<i>(as per column 10 of Part A)</i>	
16.	Estimated total income of the tax year of the declarant	<i>(as per column 13 of Part A)</i>	
17.	Aggregate amount of income for which declaration is made during the tax year	<i>(as per column 12 of Part A)</i>	
18.	Date on which declaration is received	<i>(dd/mm/yyyy)</i>	

DECLARATION

I (name of authorized person)..... having Permanent Account Number hereby certify that the information pertaining to the declarant(s) above has been duly furnished.

Place:

Signature of the authorized person

Date:

Name:

Notes:

1. In case of individual, the first, middle and last name shall be provided in full without any abbreviations. In any other case also, name shall be provided in full.
2. The address shall contain i. Country/Region, ii. Flat/Door/Building, iii. Road/Street/ Block/Sector, iv. PIN/ZIP Code, v. Post Office, vi. Area/locality, vii. District, viii. State.
3. Declaration can be furnished by an individual being a resident under section 393(6)[Table: Sl. No. 1] or by any person, not being a company or a firm or an individual covered in section 393(6)[Table: Sl. No. 1], under section 393(6)[Table: Sl. No. 2].
4. Fill 'residential status' as (i) Resident (ii) Non-resident (iii) Resident but not ordinarily resident.
5. This application is applicable for following incomes, please fill as applicable:
 - (a) payment of accumulated balance due to an employee participating in recognized provident fund
 - (b) insurance commission for soliciting or procuring insurance business including business related to continuance, renewal, or revival of the insurance policies.
 - (c) rent from a specified person
 - (d) income in respect of (i) units of a mutual fund, or (ii) units from the Administrator of the specified undertaking, or (iii) units from the specified company
 - (e) interest on securities, interest other than interest on securities by a banking company or a co-operative society carrying on the business of banking or interest by a post office for a deposit made under a scheme notified by the Central Government or by Specified person
 - (f) payment in respect of life insurance policy including the sum allocated as bonus on such policy
 - (g) dividend (including dividend on preference shares) declared by domestic company

Refer Section 393(6) for more details.

6. In case any declaration(s) in Form No, 121 is filed before filing this declaration during the tax year, mention the total number of such Form No. 121 filed along with the total amount of income for which said declaration(s) have been filed.
7. Please mention amount of estimated total income of the tax year for which declaration is filed including the amount of income for which this declaration and earlier declaration(s), if any, is made.
8. The person responsible for paying income referred to in row no. 10 of Part A shall allot a unique identification number to all Form No. 121 received by him during a quarter of the tax year and report the same in TDS statement furnished for the same quarter.
9. The person responsible for paying income referred to in row no. 10 of Part A shall accept the declaration where the tax on declarant's estimated total income as referred to in row no. 13 of Part A of the tax year will be nil.
10. Estimated total income shall be calculated after allowing for deduction(s) under Chapter VIII of the Act, if any, or set off of loss, if any, under the head "Income from house property" and rebate allowable under section 156.

11. For a declarant other than the resident individual whose age is 60 years or more at any time during the tax year, the person responsible for paying income referred to in row no. 10 of Part A shall not accept the declaration where the amount of income of the nature referred to in section 393(6) or total amount of such income credited or paid or likely to be credited or paid during the tax year in which such income is to be included exceeds the maximum amount which is not chargeable to tax.
12. Before signing the verification, the declarant should satisfy himself that the information furnished in the declaration is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 482.
13. Some of the information in the form would be pre-filled to the extent possible.
14. Amounts to be filled in ₹ unless otherwise provided.

On the letterhead of Shareholder

DECLARATION FOR NON-RESIDENT SHAREHOLDERS

(To be declared by non-resident shareholder for declaring existence/ non-existence of PE in India and availing the benefits of lower tax deduction under Section 160 of the Indian Income Tax Act, 2025 ('IT Act') read with the provisions of the Tax Treaty with India and the Multilateral Instrument)

Date: _____

To
Axis Bank Limited
Registered Office
'Trishul', Third Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad - 380 006

Ref: PAN - Mention PAN of Shareholder

Folio Number / DP ID/ Client ID - Mention all the account details

This is to declare and confirm that:

1. <<Name of Shareholder>> is a tax resident of << Name of the Country of residence of shareholder ('COR')>> during the tax year ('TY') 2026-27 within the meaning of Double Taxation Avoidance Agreement ('DTAA') between India and <<<COR>>, read with the provisions laid down in Multilateral Instrument ('MLI'), as applicable.
2. I/We hereby declare that, I am/We are the beneficial owner of the investments made by me/us in the shares of Axis Bank Limited and also dividend income receivable from such investments and I/we have 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.
3. I/We further declare that I am/We are eligible to claim benefit of the tax treaty between India and <<COR>> including satisfaction of the Limitation of Benefits clause (wherever applicable). I/We also enclose a self-attested copy of Tax Residency Certificate ('TRC') (of TY 2026-27 i.e. covering the period from April 1, 2026, to March 31, 2027) obtained from the tax authorities of the country of which I am/we are resident.
4. Further, I/We do not have any Permanent Establishment ('PE"), Fixed base or place of effective management in India as per the provisions of Income-tax Act, 2025, and as per the above-mentioned DTAA read with provisions as laid down in MLI, wherever applicable.
5. I/We do not have any business connection in India within the meaning of Section 9 of the Income-tax Act, 2025.
6. We hereby declare that no arrangement/transaction has been undertaken for the purpose of obtaining any benefits under the DTAA which results into non-taxation or reduced taxation through tax evasion or tax avoidance (including treaty shopping arrangements) or any other means and that the provisions of GAAR and anti-avoidance provisions as prescribed under the aforementioned DTAA are satisfied. We specifically confirm that obtaining benefit under the applicable tax treaty was not one of the principal purposes of the arrangement or transaction pursuant to which income is payable/being paid to me by Axis Bank Limited

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7. I/We undertake to comply with all the relevant provisions of the Indian Income-tax Act, 2025, pay necessary income-tax (if any) arising from the transactions, furnish necessary returns, statements and other documents to the Income-tax authorities in India as may be applicable.
8. I/We undertake to provide all necessary documents and reasonable assistance to Axis Bank Limited as and when required by them in connection with any proceedings before the Indian Revenue Authorities.
9. If case of any misrepresentation or false documentation provided/made by us, we shall indemnify the Axis Bank Limited as well as any other person who places reliance on these declaration/documents to the extent of taxes and other liabilities that may be levied on the Axis Bank Limited and/or such other person by the Indian Revenue Authorities.
10. I/We, confirm that the declaration/facts/documents provided above are true and correct and shall be applicable for the TY 2026-27. I/We undertake to intimate Axis Bank Limited if there are any changes in the above fact during TY 2026-27.

Date:

Place:

Address:

Email and Phone Number

Full Name:

Signature: