

FREQUENTLY ASKED QUESTIONS - TAX ON DIVIDENDS

FOR RESIDENT SHAREHOLDERS:		
When valid PAN is available in the records of the Company	Tax deduction rate – 10%	
Where resident shareholder is a 'specified person [#] ' as per Section 206AB of Income Tax Act, 1961 ('the Act')	Tax Deduction rate – Twice the applicable rates – i.e. 20%	
When valid PAN is not available in the records of the Company or PAN is not linked to Aadhar	Tax deduction rate – 20%	
Requirements: <ul style="list-style-type: none"> ● Update/Verify the PAN and the residential status as per Act, if not already done, with the depositories (In case of shares held in Demat mode) and with Registrar & Transfer Agents^ (RTA) (In case of shares held in Physical mode) ● Note-Tax will not be deducted if the total dividend income paid by the company to a resident Individual shareholder during FY 2023-24 in aggregate does not exceed INR 5,000/-. The said amount mentioned may vary from time to time as may be prescribed by the statute/authorities. 		
Documents to be submitted to the Company/RTA to claim tax exemption / Specified tax rate:		
Particular/Category	Tax Deduction Rate	Requirement*
Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to resident individual) / Form 15H (applicable to resident Individual who is 60 years and above) is to be furnished along with self-attested copy of PAN card.
Insurance Companies/Shareholders to whom section 194 of the Income Tax, 1961 does not apply	Nil	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested copy of PAN card and copy of registration certification issued by the IRDAI.
Submission of lower/Nil withholding tax certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower/Nil withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2023-24 and should cover dividend income.
Alternative Investment Fund (AIF) (Category I and II)	Nil	Self-declaration that they are specified under Section 10(23FBA) of the Act and established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.
Mutual Funds	Nil	Self-declaration that they are specified under Section 10(23D) of the Act and along with self-attested copy of PAN card and registration certificate.
Recognized provident funds, Approved superannuation funds and Approved gratuity funds	Nil	Self-declaration that they are specified in Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) along with self-attested copy of PAN card and registration certificate.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.	Nil	Self-declaration that they are specified in Section 196 of the Act along with self-attested copy of PAN card and registration certificate.
National Pension Scheme	Nil	Self-declaration that they are specified in Section 10(44) of the Act along with self-attested copy of PAN card and registration certificate.

*The above documents will be considered only if they are in accordance with the Income-tax Act, 1961/statute and are in order.

^Registrar & Transfer Agents- Link Intime India Private Limited.

FOR NON-RESIDENT SHAREHOLDERS:

Particular/Category	Tax Deduction Rate	Requirement*
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agents - Link Intime India Private Limited.
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	Update/Verify the PAN, legal entity status and the residential status as per the Act, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Link Intime India Private Limited (in case of shares held in physical mode).
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder including investments made under FPI/FII route	Rate as per the applicable Tax Treaty	<p>In order to apply the Tax Treaty rate, ALL the following documents would be required:</p> <ol style="list-style-type: none"> 1) Self-Attested copy of Indian Tax Identification number (PAN). 2) Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2023 to March 2024 obtained from the tax authorities of the country of which the shareholder is a resident and intending to claim Treaty benefit. (In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided). 3) Self-declaration in Form 10F for FY 2023-24 furnished electronically on the e-filing portal of the shareholder, if all details as required in the Form are not available in the TRC. <p>However, in view of the CBDT notification vide F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227, dated 12-12-2022 and F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420, dated 28-03-2023, Non-resident taxpayers not having PAN and also not required to have PAN as per the relevant provisions of the Income Tax Act, 1961 have been exempted from mandatory electronic filing of Form 10F till 30th September 2023. Therefore, such category of taxpayers may make the statutory compliance of furnishing of Form 10F in manual mode till 30th September 2023.</p> <p>Any Form 10F furnished post 30 September 2023 will have to be obtained electronically from the e-filing portal of the respective shareholder and furnished to the Company by each such shareholder.</p>

		<p>4) Self-declaration from Non-resident, primarily covering the following for FY 2023-24 (Refer Self Declaration Annexure attached)</p> <p>Application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon completeness of the documentation and review of the same by the Company</p>
Submission of Lower/Nil withholding tax certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower/Nil withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2023-24 and should cover the dividend income.
<p>*Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder(including investment made through FII / FPI route) and satisfactory review by the Company.</p>		

GENERAL INSTRUCTIONS & INFORMATION:

- The Shareholders holding 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.
- It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible.
- All communications / queries in this respect should be addressed to our RTA at rnt.helpdesk@linkintime.co.in
- Shareholders holding physical shares may visit the website of our Registrar & Transfer Agents to register/update their email id and bank details at https://linkintime.co.in/emailreg/email_register.html
- Shareholders holding shares in electronic mode are requested to register their Bank details with the relevant Depository Participant. This will enable the Company to make timely credit of dividend to the Shareholders in their respective bank accounts.
- For Shareholders who have not updated their bank account details, Dividend Warrants / Demand Drafts will be sent to their registered addresses upon normalization of the postal services/dispatch services. In order to receive dividends on time we would request the shareholders to register their bank details.
- Please note that all the necessary documents should be submitted to the Company within the stipulated time in a manner as may be prescribed by the Company.
- Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded/viewed from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>. Please note that the credit in the Form 26AS will be reflected after the TDS return is filed by the company as per timelines prescribed under the Income tax Act , 1961.
- In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Record Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- Shareholders should ensure to submit necessary declarations and forms in readable format and without any discrepancy within the stipulated timelines.
- You may have to submit signed original hardcopies of the documents and declarations submitted online, if required by the Company.