

**Communication on Tax Deduction at Source (TDS) on Dividend pay-out for FY 2023-24 & Updation of Email ID's, Mobile number and Bank details**

August 5, 2024

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on May 27, 2024 have recommended a dividend of Rs. 2 per equity share of Rs. 10/- each for the financial year ended March 31, 2024, subject to the approval of Members at the ensuing Annual General Meeting of the Company to be held on Friday, September 6, 2024.

As you are aware that as per the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2020, dividends paid or distributed by a Company with effect from April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source at the time of making the payment of the said Dividend, if declared at the ensuing AGM in accordance with the provisions of the Act and at the applicable rates.

The Shareholders holding shares in Physical mode are requested to note the following, with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 (subsequently amended by circulars dated 14th December, 2021, 16th March, 2023 and 17th November, 2023):

- A) In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend shall be paid only through electronic mode with effect from 1st April, 2024 upon furnishing all the aforesaid details in entirety with the RTA.
- B) If a Shareholder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after 1st April, 2024, then the Shareholder would receive all the dividends declared during that period (from 1st April, 2024 till the date of updation) pertaining to the securities held after the said updation. The forms for updation of PAN, KYC, bank details and nomination viz., Forms ISR-1, ISR-2, SH-13 are available on RTA's website at <https://liiplweb.linkintime.co.in/KYC-downloads.html>.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

**Table 1: Resident Shareholders:**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any resident shareholder	10%	Update valid PAN if not already done with 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).

		<p><b>No deduction of taxes in the following cases;</b></p> <ul style="list-style-type: none"> <li>• If dividend income to a resident Individual shareholder during FY 2024-25 does not exceed INR 5,000/-,</li> <li>• If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.</li> </ul> <p>Implications of Section 206AB of the Act effective from 1 July 2021 needs to be taken into consideration. As per Section 206AB of the Act where a person has not filed the return of income for two AYs, immediately prior to the PY in which TDS is required to be deducted and for which the time limit for filing the return of income under Section 139(1) has expired and the aggregate of TDS and TCS in his case is INR 50,000 or more in each of these two PYs, then in such a case tax shall be deducted at highest of the following rates:</p> <ul style="list-style-type: none"> <li>• At twice the rate specified under the relevant provision of the Act; or</li> <li>• At twice the rate or rates in force; or</li> <li>• At the rate of 5%.</li> </ul> <p>Declaration may need to be obtained from the payee.</p>
Without PAN/ Invalid PAN	20%	The higher rate of 20% will be applicable even in cases where the PAN is not linked with Aadhaar.
Resident Shareholder Submitting Form 15G/ Form 15H	NIL/lower tax	Eligible Shareholder providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. The Link to obtain the declaration form is given herein below.
Resident Shareholder with an order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities along with the self-declaration.
Insurance Companies: Public & Other Insurance Companies	NIL/lower tax	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and IRDAI 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/lower tax	Documentary evidence that the person is covered under section 196 of the Act.
Mutual Funds	NIL/lower tax	Documentary evidence that the person is covered under section 196 of the Act along with the self-declaration.
Alternative Investment fund	NIL/lower tax	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 and Section 197A(1F) of the Act.

		Self-attested copy of valid SEBI registration certificate needs to be submitted.
	10%	This rate is applicable for Category III AIF
Any other entity entitled to exemption from TDS	NIL/lower tax	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted along with copy of PAN card.

**Please Note that:**

- Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- 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.

**Table 2: Non-resident Shareholders:**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is more beneficial	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company</p> <ul style="list-style-type: none"> <li>Copy of the PAN Card, if any, allotted by the Indian authorities.</li> <li>Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident.</li> <li>Self-declaration in Form 10F (The Link to obtain the declaration form is given herein below) The Form needs to be filed online on the e-filing portal.</li> <li>Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India/ to be beneficial owner of dividend. (The Link to obtain the declaration form is given herein below)</li> <li>Self-declaration that it is eligible to access the Tax Treaty and satisfies the Principal Purpose Test in the Tax Treaty read with MLI (wherever applicable).</li> </ul> <p>TDS shall be deducted at the rate of 20%, if any of the above documents are not provided.</p> <p>TDS shall be recovered at the rate of 40% (plus applicable surcharge and cess), as per provisions of section 206AB, if the No PE declaration is not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend</p>

		amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI), GDR Holders	20% (plus applicable surcharge and cess)	For FII's – as per section 196D, treaty benefit is now available after amendment introduced by the Finance Act 2021. As per Section 115AC/196C for GDR, rate is 10%. W.e.f. 01 July 2021 plus applicable surcharge and cess.
Non-resident shareholders who are tax residents of Notified Jurisdictional area as defined u/s 94A(1) of the Act	30%	Not Applicable
Submitting Order under section 195(3) /197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

**Note:** 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.

Transferring credit to the beneficial owner - 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 prescribed format under Rule 37BA on or before August 29, 2024.

Members should submit declarations as mentioned in the Table 1 and 2 above in prescribed forms to avail the benefit of non-deduction of tax at source by uploading the aforesaid documents as applicable, on the following link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email on [dai-ichidivtax@linkintime.co.in](mailto:dai-ichidivtax@linkintime.co.in) or to be submitted to the Company at email ID [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com) on or before **August 29, 2024** to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post **August 29, 2024**, shall be considered for payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates. 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 you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. 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://incometaxindiaefiling.gov.in>.

Shareholders are requested to complete necessary formalities regarding their bank accounts attached to their Demat account for enabling the Company to make timely credit of dividends in the respective bank accounts.

To view / download Form-15G [click here](#).  
To view / download Form-15H [click here](#).  
To view / download Form-10F [click here](#).  
To view / download Self declaration [click here](#).

Thanking you,  
**For Dai-Ichi Karkaria Limited**

**Sd/-**  
**Ankit Shah**  
**Company Secretary & Compliance Officer**