



**General Communication on Deduction of tax at source on Final Dividend payout for
FY 2023-24**

Same as email text

Important dates / Details

Purpose	Dates
Record date for reckoning the eligible members to receive final dividend (including one-time special dividend)	July 05, 2024
Cut-off date for submission of documents	July 10, 2024
Link for submission of documents	https://investors.cameoindia.com/
Dividend Payment date	On or after August 03, 2024

Contact Details

Company's Registrar and Share Transfer Agent	Cameo Corporate Services Limited	Subramanian Building, 5th Floor, No.1, Club House Road Chennai - 600 002. Contact no: 044 28460390. Phone: 044 -28460390, Online Investor Portal: wisdom.cameoindia.com Website: www.cameoindia.com
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FAQs on payment of dividend & on deduction of tax at source on the payment of dividend

1. Which shareholders are eligible to receive the dividend?

The shareholders who hold shares as on the Record date will be eligible to receive the final dividend (including one-time special dividend), approved by the members or interim dividend(s), approved by the Board of Directors of the Company.

2. What is the new tax regime on the dividend?

In terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ('TDS') (at the applicable rates) at the time of payment / credit of the dividend. TDS rate would vary depending on the residential status and the documents submitted.

3. Is there any limit on the amount of dividend up to which no tax will be deducted in respect of resident shareholders?

No tax shall be deducted at source on the dividend payable to a **resident Individual** if the total dividend to be received from the Company during a financial year does not exceed INR 5,000/-. The aggregation of the amount payable shall be based on PAN even if the shareholder has multiple Client IDs.

It may be noted that there is no such limit provided under the Act for resident non-individual shareholders and non-residents, and hence the dividend shall be subject to TDS.



4. Who can get exemption from deduction of taxes on dividend payment?

Shareholders who have submitted documents required within the stipulated date provided, in the required format, to the satisfaction of the Company may get exemption from deduction of taxes.

5. How can the shareholders submit the documents?

Shareholders can submit documents with the Company's Registrar and Share Transfer Agent (RTA), Cameo Corporate Services Limited at <https://investors.cameoindia.com/>. *Any communication received through any other mode will not be considered, for deduction of applicable tax.*

6. Will the Company consider the physical documents submitted?

No, submission of documents is allowed only from link: <https://investors.cameoindia.com/>. The Company will not accept any physical documents.

7. If documents are submitted online, then whether submitting the physical copy is compulsory?

No, submission of physical copy is not required. Submission through online mode at link provided is only allowed. Necessary scan copy of the documents shall be attached in the links provided earlier.

8. What is due date for submission of documents?

The documents/ declarations, as applicable to you, are required to be submitted on or before cut-off date i.e. July 10, 2024. *Any communication received after this cut-off date will not be considered, for deduction of applicable tax and taxes shall be withheld in accordance with the provisions of Income Tax Act, 1961 prevailing as on date.*

9. What if shareholder do not submit details/documents within prescribed time? What if shareholder submit incomplete documents?

In case shareholder do not submit documents or the documents submitted are not satisfactory on or before cut-off date given, the Company would deduct tax at applicable rates. If the tax is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details / documents by company, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

10. I am a resident individual shareholder. At what rate my dividend will be subjected to TDS?

In case of resident shareholders who have registered their valid PAN with the Company's RTA/Depository Participant and who have filed Income tax Returns for the past financial year, tax @ 10% on dividend income will be deducted at source. In absence of a valid PAN updation, TDS rate of 20% will apply. Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individuals if:

- i) Aggregate dividend to be paid by the Company, in a financial year, does not exceed INR 5,000/- . (Or)

- ii) Declaration in Form No. 15G / Form 15H (aged 60 years and older) is submitted by shareholders, fulfilling conditions, to the satisfaction of the Company.

11. I am a resident Individual shareholder. What will be the consequence of not linking my PAN with Aadhaar?

In case PAN of the individual shareholder is not linked with Aadhaar, such PAN will be treated as invalid, and the shareholder will be considered as not having PAN & higher TDS rates will be applied accordingly.

12. How can a shareholder update his/her PAN?

- In case of shares held in Demat: Update the PAN, if not already done, with the depositories.
- In case of shares held physically: Update the PAN, if not already done, with the Company's RTA.

13. Who can submit Form no. 15G/ 15H for non-deduction of tax at source?

Resident shareholder, being an individual, whose total dividend income in a financial year from the Company exceeds ₹5,000 and who wish to receive dividend without deduction of tax at source may submit a declaration in Form No. 15G. In case if a resident shareholder is aged 60 years or more, he/she may submit Form No. 15H. It is to be noted that even a Hindu Undivided Family ('HUF') shall claim TDS exemption by furnishing valid Form No. 15G.

In addition to the above, all shareholders are requested to ensure that the below details are submitted and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); or in case of shares held in physical form, with the Company's RTA for the purpose of complying with the applicable TDS provisions:

- a. Residential status as per the Act i.e. Resident or Non-Resident for FY 2023-24;
- b. Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) - Category I, II and III, Government (Central/ State Government), FPI/ FIL, Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.;
- c. Email Address;
- d. Bank account details; and
- e. Address (including country)

Kindly note that for the purpose of deduction of tax at source, the Company would be relying on the data shared by RTA. In case the above details are not updated by the record date, then the Company will rely on the details as on the record date, as received from RTA.

14. From where a shareholder can obtain Form 15G/ 15H?

For the convenience of shareholders, template of Form No. 15G/15H has been made available on the website of the Company at www.redingtongroup.com. The same can also be downloaded from the Income tax website at <https://www.incometaxindia.gov.in/pages/downloads/most-used-forms.aspx>.



15. Which other documents are required to be submitted along with Form no. 15G/ 15H?

No other documents are required to be submitted along with Form no. 15G/ 15H. However, kindly ensure that your PAN is registered with your Depository Participant in case you are holding shares in demat form and with the Company's RTA in case you are holding shares in physical form.

16. What is the TDS rate for Non-resident shareholders?

For non-resident shareholders, the rate of TDS is 20% (plus applicable surcharge and cess) as per the Act. However, where a non-resident shareholder is eligible to claim benefit under the Double Taxation Avoidance Agreement (DTAA), and the tax rate provided in the respective DTAA is more beneficial than the rate provided in the Act, then the rate as per the DTAA would be applied. In order to avail the DTAA benefit, non-resident shareholders would be required to submit certain documents. Kindly note that the Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the non-Resident shareholder and review to the satisfaction of the company.

17. Is there any limit on the amount of dividend up to which no tax will be deducted in respect of non-resident shareholders?

There is no such limit provided under the Act for non-resident shareholders, and hence the entire dividend is subject to TDS.

18. Who is eligible to claim benefits under Double Taxation Avoidance Agreement?

In respect of non-resident shareholders (including foreign companies), the TDS rates will be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions, if any, between India and the country in which the non-resident is considered resident in terms of such DTAA read with MLI.

19. Which documents are required to be submitted for claiming benefit under Double Taxation Avoidance Agreement (DTAA)?

In order to claim benefit under DTAA read with MLI, the non-resident shareholders would be required to submit the following documents:

- a. Tax Residency Certificate ("TRC") obtained from the Tax authorities of the country of which the shareholder is tax resident (TRC valid for FY 2024-25).
- b. Online Form 10F for FY 2024-25 duly filled up and filed in the e-filing portal of Income Tax.
- c. Copy of PAN card, if any, allotted by the Indian income tax authorities, signed by authorized signatory.
- d. Declaration of beneficial ownership by the non-resident shareholder primarily covering the following:
 - i. That the Shareholder is the tax resident of the country outside India (mention the name of the country)
 - ii. That the non-resident shareholder is eligible to claim the benefit of the respective Tax Treaty for FY 2024-25.
 - iii. That the non-resident shareholder receiving the dividend income is the beneficial owner of such income.
 - iv. That the dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India during FY 2024-25.

- v. Non-applicability of the article ‘Limitation of Relief / benefits’ in case the relevant DTAA contains the said clause.

Please note that the Company in its sole discretion reserves the right to call for any further information and/or to apply rate of TDS as per the Income Tax Act. The Company’s decision is final for the purpose of withholding of taxes on the dividend distributed to the non-resident.

Please note that the deduction of tax beneficial rate is subject to submission of valid and complete documents to the satisfaction of the company.

20. How can a shareholder know the quantum of tax deducted by the Company from the dividend being paid?

The amount of tax deducted on dividend being paid would be mentioned on the dividend instrument and the e-payment advice. Shareholders can also check the “View Your Tax Credit” facility available at www.incometax.gov.in. Please note the credit in Form 26AS shall be reflected after the TDS statement filed by company on a quarterly basis is processed by the tax authority.

21. Is the above rate of 20% (as per the Act) to be increased by surcharge and cess?

Yes, in case of non-resident shareholders, the TDS rate of 20% would be increased by applicable surcharge and health & education cess based on the status of the non-resident. However, in case TDS is deducted as per the beneficial rate provided in the DTAA (subject to submission of documents/ declaration), then the rate as prescribed in the DTAA would not be further increased by surcharge and cess.

22. What is the applicable rate of surcharge and cess for non-resident shareholders [including Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)]?

The rate of surcharge depends upon the status of the non-resident and its income. For non-resident shareholders being foreign companies (including FIIs/ FPIs being companies):

Dividend income during the financial year	Surcharge Rate	Effective TDS rate (including applicable surcharge and cess)
Not exceeding INR 1,00,00,000	NIL	20.80%
Exceeding INR 1,00,00,000 but not exceeding INR 10,00,00,000	2%	21.216%
Exceeding INR 10,00,00,000	5%	21.84%

For non-resident shareholders being firms (including FIIs/ FPIs being firms):

Dividend income during the financial year	Surcharge Rate	Effective TDS rate (including applicable surcharge and cess)
Not exceeding INR 1,00,00,000	NIL	20.80%



Exceeding INR 1,00,00,000	12%	23.296%
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For other categories of non-resident shareholders, including FIIs/ FPIs:

Dividend income during the financial year	Surcharge Rate	Effective TDS rate (including applicable surcharge and cess)
Not exceeding INR 50,00,000	NIL	20.80%
Exceeding INR 50,00,000 but not exceeding INR 1,00,00,000	10%	22.88%
Exceeding INR 1,00,00,000	15%	23.92%

The rate of health & education cess shall be 4% on the amount of tax liability and applicable surcharge.

23. Will I receive dividend warrant in spite of difficulties in posting of documents?

The Members are requested to note that once dividend is approved (by the Members, at the AGM, if its Final Dividend and by the Board, if it is Interim Dividend), the Company would be able to dispatch the dividend instruments on or after payment date announced based on the availability of postal services.

However, in order to avoid delay in receipt of dividend instruments, you may kindly update your bank account details with the Company's RTA (in respect of shares held in physical form) or with your respective Depository Participant (in respect of shares held in electronic form) on or before "Record date" so that dividends paid by the Company gets directly credited in your bank account.

24. What if shareholder has any query except those given above?

In case shareholder has any other queries, please feel free to send those queries to investors@redington.co.in

25. When the shares are held on representative capacity, whether TDS shall be passed on to the actual beneficial owner of such shares ?

Generally, dividend would be paid to the shareholders as reflecting in the data maintained by Depository Participant / RTA's as on the record date. As per Rule 37BA of the Income-tax Rules, 1962, any person holding shares on behalf of registered shareholders or acting as a custodian, should inform by submitting declaration to the Company / RTA, about providing credit of TDS and issue of TDS certificate to the respective beneficiary. In this regard, the declarations furnished by the shareholders would be accepted by the Company only till **July 10, 2024**.

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. In case any provisions of applicable laws undergo a modification or replacement, the requirement as set out above shall stand revised in terms of the said amendment. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.