

**COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION**

Date: 28-05-2024

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on Tuesday, 14<sup>th</sup> May, 2024 Recommended a final dividend of Rs. 20 per equity share of Rs. 10 each (F.V.) on 14,922,525 Nos. of Equity Shares, which is subject to the approval of the shareholder at the ensuing Annual General Meeting (AGM) of the Company, and the same shall be paid /dispatched on or after the fifth day from the conclusion of the Company's AGM

The said Dividend will be payable to those shareholders whose names appear in the records of the Depositories as beneficial owners of the shares as at the close of business hours on Friday, 12<sup>th</sup> July, 2024 (**Record date**).

In accordance with the provisions of the Income Tax Act, 1961, ('The Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend distributed or declared or paid by the Company shall be taxable in the hands of shareholders and the Company shall be therefore required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted by them and accepted by 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 (With PAN)	As per Section 194 of the Act - 10%	Update/Verify the PAN, 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) by sending a request on or before record date.  If shareholder is classified as "specified person" in functional utility provided by Government of India, TDS will be deducted at 20% in accordance with section 206AB.
<b>No deduction of taxes in the following cases –</b>		
<ul style="list-style-type: none"><li>• If aggregate dividend income to a resident Individual shareholder during FY 2024-25 does not exceed INR 5,000/- . For the purpose of aggregation, dividend already paid in FY 2024-25 will be considered.</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>		

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Submitting Form 15G / Form 15H	NIL	Eligible Shareholder providing Form 15G ( <b>Annexure 1a</b> ) (applicable to any person other than a Company or a Firm) / Form 15H ( <b>Annexure 1b</b> ) (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. PAN is mandatory to provide Form 15G/15H.  Shareholders are requested to submit Form 15G/15H considering the dividend already paid in FY 2024-25.
Order under Section 197 of the Act	Rate provided in the Order	Self-attested copy of Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, 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	Documentary evidence that the person is covered under Section 196 of the Act.
Mutual Funds	NIL	Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self- attested copy of PAN card and registration certificate
Alternative Investment Fund (AIF) established in India	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 (OR) Self declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate
Recognized Provident Fund	NIL	Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 needs to be submitted.
Approved Superannuation Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted :
Approved Gratuity Fund	NIL	a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund)

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
National Pension Scheme Trust	NIL	No TDS is required to be deducted as per Section 197A(1E) of the Act
Other resident shareholder without PAN/Invalid PAN	20%	As per Section 206AA of the Act

**Please Note that:**

1. 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. In case the shareholder with PAN is identified as specified person under Section 206AB, higher rate of TDS as applicable shall be deducted. 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.
2. 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
<p>non-resident shareholder including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]</p>	<p>As per Section 195 of the Act - 20% (plus applicable surcharge and cess) subject to applicable Treaty rate</p>	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty") read with Multilateral Instrument ("MLI") provisions. 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>• Self-attested Copy of the PAN Card</li> <li>• Self-attested copy of Tax Residency Certificate (TRC) valid as on the Board meeting date for the FY 2024-25 or for the calendar year 2024 obtained from the tax authorities of the Country of which the shareholder is resident</li> <li>• Shareholders who have PAN and propose to take treaty benefit need to mandatory file Form 10F electronically at the link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> to avail the DTAA benefit.</li> <li>• Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit read with MLI provision, if any and do not / will not have place of effective management in India (Annexure 4)</li> </ul> <p><i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</i></p>

Category of shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		<ul style="list-style-type: none"> <li>Tax shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided and dividend already paid in the FY 2024-25 will also be considered for determining the surcharge.</li> </ul>
Submitting Order under Section 195 /197 of the Act	Rate provided in the Order	Self-attested copy of Lower/NIL withholding tax certificate obtained from Income Tax authorities

**Please Note that:**

- 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.
- Kindly note that the Company is not obligated to apply beneficial tax treaty rates read with MLI provision at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty 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.

To view / download Annexure 1a Form 15G

[https://liiplweb.linkintime.co.in/admin/DownloadFiles/FORM\\_15G.pdf](https://liiplweb.linkintime.co.in/admin/DownloadFiles/FORM_15G.pdf)

To view / download Annexure 1b Form 15H :

[https://liiplweb.linkintime.co.in/admin/DownloadFiles/FORM\\_NO\\_15H.pdf](https://liiplweb.linkintime.co.in/admin/DownloadFiles/FORM_NO_15H.pdf)

To view / download Annexure 3 for self declaration for claiming treaty benefit :

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fliiplweb.linkintime.co.in%2Fadmin%2FDownloadFiles%2FSelf%2520Declaration%2520Form.docx&wdOrigin=BROWSELINK>

If the dividend income is taxable in the hands of any person other than the recipient of the dividend, then the requisite details by way of a declaration under section 199 of the Act and Rule 37BA of the Income-tax Rules, 1962 should be provided in **Annexure 4 (provided in the Last page)**

Kindly note that the aforesaid documents as explained in the Tables 1 and 2 above are required to be updated by visiting the link: [Link Intime India Pvt Ltd - Tax Exemption](#) or in case of any difficulty, can also be submitted to the Company / Registrar at email ID [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) on or before **8<sup>th</sup> July 2024**, 17:00 hrs IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 8<sup>th</sup> July, 2024, 17:00 hrs IST. It is advisable to upload/send 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 interim 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.

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

No claim shall lie against the Company for such taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

The Company will arrange to e-mail a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said interim Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal>

Above communication on TDS sets out the provisions of Income-tax Act, 1961 as applicable in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard. We urge you to stay safe.

Thanking you

**For Nilkamal Limited**

**Sd/-**

**Priti Dave**

**Company Secretary**

**Annexure 4** (on the letterhead of the shareholder, if applicable)

**Declaration under section 199 read with Rule 37BA of the Income-tax Rule, 1962**

Date: \_\_\_\_\_

To

Nilkamal Limited,  
77/78, Nilkamal House, M. I. D. C, Street  
No.13-14, Andheri East, Mumbai 400093.

**Folio No./ Demat Account No.:** \_\_\_\_\_

**Name of the shareholder :** \_\_\_\_\_

**PAN :** \_\_\_\_\_

Dear Sir/Madam,

**Re:** Declaration under section 199 of the Income-tax Act, 1961 read with Rule 37BA of the Income-tax Rules, 1962 for providing credit of taxes deducted at source to other person for the financial year 2025-26 (ending on March 31, 2025).

**Declaration**

I/We, <NAME OF RECIPIENT OF DIVIDEND>, having registered office at <ADDRESS OF RECIPIENT IN CASE OF NON-INDIVIDUAL SHAREHOLDERS> and PAN <PAN OF RECIPIENT>, are holding <NUMBER OF SHARES > shares of your company and entitled to dividend declared by you of Rs. <INSERT AMOUNT OF DIVIDEND>. In this regards we declare and state as under –

- The aforesaid dividend income belongs to and is assessable (taxable) in the hands of our <MENTION RELATION WITH THE ACTUAL OWNER VIZ. CLIENT/RELATIVE> mentioned below, who are the actual holders and beneficial owners of the shares, and accordingly, the same has been/ will be transferred to the respective < MENTION RELATION WITH THE ACTUAL OWNER VIZ. CLIENT/RELATIVE> account by <NAME OF RECIPIENT OF DIVIDEND>. Accordingly, the Tax Deducted at Source (“TDS”) credit is to be reflected by your Company in the name of < MENTION RELATION WITH THE ACTUAL OWNER VIZ. CLIENT/RELATIVE> in accordance with Rule 37BA of the Income-tax Rules, 1962 (“the Rules”).

- List of the < MENTION RELATION WITH THE ACTUAL OWNER VIZ. CLIENT/RELATIVE> in whose favour TDS is to be reported on the Dividend Income received in FY 2024-25 in accordance with Rule 37BA of the Rules is as follows:

Sr No	Name of the Actual/beneficial Owner	PAN or the declaration/ documents provided at time of Dividend distribution	Address	Email Address	Dividend Amount	Number of shares	Reason for giving credit

- I/We, <NAME OF THE RECIPIENT>, undertake that we will not claim credit of any TDS on the aforesaid amount of dividend transferred to the <MENTION RELATION WITH THE ACTUAL OWNER VIZ. CLIENT/RELATIVE> account for FY 2024-25 and the above person would be entitled to claim the same.
- We request you to kindly furnish information to the Income Tax Department in your return of TDS to correctly reflect the TDS in the name of the aforementioned persons instead of our Company. Thus, the TDS Credit on the dividend would appear in the name of the aforesaid person in their respective Form 26AS on the income tax portal and necessary TDS certificate would be issued in their favour.

\*I/We hereby confirm that the declarations made above are complete, true and bona

fide. Yours faithfully,

For <NAME OF RECIPIENT>

<Insert Signature>

**Authorized Signatory**

<Name/designation> Email address:

<Please insert>

Contact Number: <Please insert>