



Information of Tax on Dividend FY 2022-23

Dividend

We are pleased to inform you that the Board of Directors of the Company at their meeting held on May 30, 2023 have proposed a final dividend of Rs. 1.50/- per fully paid equity share of Rs. 10/- each for the financial year ended March 31, 2023. This dividend is subject to approval of shareholders at the forthcoming annual general meeting to be held on September 21, 2023.

It is brought to the attention of the shareholders that pursuant to the amendment in the Finance Act 2020, the Company is obligated to withhold taxes (herein referred to as "Tax Deducted at Source" or "TDS") at the prescribed rates on the dividend payable to its shareholders. The TDS rates is liable to be determined based on the residential status of each shareholder in addition to the statements, forms or certificates, if any, received from the shareholders and accordingly, the TDS rates may vary for each shareholder

Given below are detailed instructions for different types of shareholders, in order to enable the Company to withhold taxes at appropriate rates and amounts for payment of dividend:

A. Resident Shareholders:

Particulars	Applicable TDS Rates	Instructions
PAN of the shareholder is available with the Company	10%	As per CBDT circular F.No. 370142/14/22-TPL dated on March 30, 2022 all Individuals need to ensure that his/her PAN is linked with Aadhar number, on or before March 31, 2022. Taxpayers who failed to do so are liable to pay a fee of Rs.500 till 30th June, 2022 and thereafter a fee of Rs.1000 will be applicable before submission of PAN-AADHAAR linkage request.
If PAN not Registered / Invalid PAN registered	20%	Tax is deducted at 20% where shareholders: <ol style="list-style-type: none">1. Have not linked their PAN with Aadhar or2. Where shareholders do not have a valid PAN3. Specified Persons u/s. Section 206AB (kindly refer Note Ebelow)



Notwithstanding the above, tax would not be deducted on payment of dividend to Resident Individual shareholder, if total dividend to be paid in FY 2022-23 does not exceed Rs. 5,000.

Tax is not liable to be deducted from 'Resident Shareholders' in the following cases:

Submission of declaration in Form 15G/ Form 15H by Individual resident Shareholders	Nil	Declaration in Form No. 15G (applicable to any person other than Hindu Undivided Family, Company or a Partnership Firm) / Form 15H (applicable to an individual who is 60years and older) fulfilling certain conditions.
Insurance Companies	Nil*	On submission of the following: 1. a declaration that it has a full beneficial interest with respect to the shares owned 2. Declaration that they are qualifying as an Insurer as per section 2(7A) of the Insurance Act, 1938 3. a self-attested copy of PAN card.
Mutual Funds	Nil*	On submission of the following: 1. Self-declaration that they are specified and covered under Section 10 (23D) of the Income Tax Act, 1961 2. Self-attested copy of PAN card and registration certificate.
Alternative Investment Fund ('AIF')	Nil*	AIF established/incorporated in India: On submission of: 1. Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 2. Declaration that they are governed by SEBI regulations as Category I or Category II AIF 3. Self-attested copy of the PAN card and registration certificate
Persons for whom Section 194 of the Act is not applicable (Corporation established by or under a Central Act (e.g. LIC, GIC)	Nil*	Under any law for the time being in force, exempt from income-tax on its income: On submission of: i. Self-declaration specifying the specific Central Act under which such corporation is established ii. Declaration that their income is exempt under the provisions of the Income Tax Act, 1961



		iii. Self-attested copy of the PAN card and registration certificate.
Persons covered under Section 196 of the Income Tax Act, 1961 (e.g. Mutual Funds, Govt.)	Nil*	Not subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence in relation to the same.

*Application of Nil rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders. Notwithstanding anything contained above, in case where the shareholders provide a certificate under Section 197 of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, based on submission of self-attested copy of the same.

B. Non-Resident Shareholders or Foreign Companies ('non-resident payee):

Particulars	Applicable withholding tax Rate	Documents required (if any)- Please submit with details of DPID – Client Id/ Folio No.
Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower)	In order to apply the Tax Treaty rate, following documents would be required: 1. Self-attested copy of Indian Tax Identification number Permanent Account Number (PAN), if available 2. Tax Residency Certificate (TRC) (of FY 2022-23 or later) obtained from the tax authorities of the country of which the shareholder is a resident 3. Form 10F duly filled and signed. Click here to download Form 10F https://web.linkintime.co.in/admin/DownloadFiles/Form_10F.pdf 4. Self-declaration (of FY 2022-23 or later) from Nonresident, primarily covering the following: a) Non-resident is eligible to claim the benefit of respective tax treaty. b) Non-resident receiving the dividend income is the beneficial owner of such income



		<p>c) Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India</p> <p>Click here to download Self Declaration format https://web.linkintime.co.in/downloads.html</p>
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

**Further, as per Section 90 of the Act the Non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder read with provisions laid down in Multilateral Instrument, wherever applicable. For this purpose, i.e. to avail Tax Treaty benefits, the non- resident shareholder will have to provide documents as specified above.

Kindly note that the Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding 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.

C. Tax resident of any notified jurisdictional area –

Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act.

D. Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962.



E. Section 206AB of the Act:

Rate of TDS @10% under section 194 of the Act is subject to provisions of section 206AB of the Act (effective from July 1, 2021) which provides for special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the tax return, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB as who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in his case is ₹50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

F. For all shareholders:

- Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants, in case the shares are held in dematerialized form. In case a shareholder is holding shares in physical mode, he/she is requested to furnish details to the Company's registrar and share transfer agent.
- Shareholders can submit their tax exemption forms and supporting documents directly to div-tax@prestigeconstructions.com.



- We request shareholders to send the relevant documents at aforementioned e-mail on or before **11.59 pm (IST) on Friday, September 8, 2023**. No communication on the tax determination/deduction received post 08.09.2023 shall be considered for payment of dividend.
- Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 11.59 pm (IST) on **Friday, September 8, 2023**
- All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act.
- **Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to the shareholder to file the return of income as per the Act, and claim an appropriate refund, if eligible.**
- Shareholders are further requested to complete necessary formalities to link their bank accounts to their DEMAT accounts to enable the Company to make timely credit of dividend in respective bank account.
- The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID, post payment of the said 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://incometaxindiaefiling.gov.in> or <https://www.incometax.gov.in/>
- Above communication on TDS sets out the provisions of law in a summary manner only from Withholding tax perspective. Shareholders should consult their tax advisors for the applicable tax provisions.

In case of any queries, the Shareholders may write to us at div-tax@prestigeconstructions.com or RTA Email address. rnt.helpdesk@linkintime.co.in