

## INSTRUCTIONS RELATING TO DEDUCTION OF TAX AT SOURCE ON DIVIDEND

Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act :-

**For resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a **resident individual** if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. Form 15G/15H can be downloaded from the weblink: <https://investors.cameoindia.com> to avail the benefit and e-mail to [sofia@cameoindia.com](mailto:sofia@cameoindia.com) & [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in) by **11.00 a.m (IST) on September 10, 2020**. There is also a provision to upload Form 15G/15H in the weblink viz., <https://investors.cameoindia.com> provided by Company's RTA. No communication would be accepted from members after **September 10, 2020** regarding the tax withholding matters.

**For non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- i. Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- ii. Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- iii. Self-declaration in Form 10F
- iv. Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- v. Self-declaration of beneficial ownership by the non-resident shareholder
- vi. Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of **Foreign Institutional Investors / Foreign Portfolio Investors**, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be submitted by e-mail to [sofia@cameoindia.com](mailto:sofia@cameoindia.com) by **11.00 a.m (IST) on September 10, 2020**. No communication would be accepted from members after September 10, 2020 regarding the tax withholding matters.

For any additional information, we request you to refer "Communication on TDS on Dividend Distribution" available at the weblink [http://www.igarashimotors.com/investor\\_list.php?invescatid=23](http://www.igarashimotors.com/investor_list.php?invescatid=23)

If you need any clarification, in this regard you may contact Mrs. Sofia, Assistant Manager, Cameo Corporate Services Ltd. (+91-44-28460395).