



CREST VENTURES LIMITED

Registered Office: 111, Maker Chambers IV, 11th Floor, Nariman Point, Mumbai – 400021
CIN: L99999MH1982PLC102697 | Website: www.crest.co.in | E-mail: secretarial@crest.co.in
Tel: 022 - 4334 7000 | Fax: 022 - 4334 7002

16th July, 2021

Dear Shareholder,

SUB: COMMUNICATION IN RESPECT OF DEDUCTION OF TAX AT SOURCE ON FINAL DIVIDEND PAYOUT

We are pleased to inform you that the Board of Directors at their Meeting held on 26th June, 2021, have recommended a Dividend of ₹0.50 per Equity Share of ₹10 each for the Financial Year ended 31st March, 2021. As you are aware, as per the Income-tax Act, 1961 (“the Act”), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April, 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 Dividend, if declared at the 39th Annual General Meeting of the Company.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholders categories.

1. FOR RESIDENT SHAREHOLDERS:

Tax is required to be deducted at source under Section 194 of the Act at 10.00% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (PAN) and at a rate of 20% for cases where the shareholder(s) does not have PAN/has not registered their valid PAN details in their account.

A. RESIDENT INDIVIDUALS:

No tax shall be deducted on the dividend payable to resident individuals if-

- a) Total dividend to be received during Financial Year 2021-2022 does not exceed ₹5,000/-.
- b) The shareholder who has provided Form 15G/Form 15H (applicable to an Individual above the age of 60 years), as available on the website of Link Intime India Private Limited - Registrar and Share Transfer Agent (RTA) of the Company under download section, provided that all the required eligibility conditions are met.

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

B. RESIDENT NON-INDIVIDUALS:

No tax shall be deducted on the dividend payable to resident non-individuals on submission of:

- a) **Insurance Companies:** Public & Other Insurance Companies - A declaration that it has full beneficial interest with respect to the shares owned by it along with PAN and Self-attested copy of Certificate of Registration with Insurance Regulatory Development Authority of India (IRDAI)/LIC/GIC.
- b) **Mutual Funds:** Certificate of Registration u/s 10(23D) issued by the appropriate authority along with PAN and Self-attested copy of Certificate of Registration with Securities Exchange Board of India (“SEBI”) **Alternative Investment Fund (AIF):** 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 alongwith self-attested copy of the PAN and registration certificate and Self-attested copy of Certificate of Registration with SEBI as Category I or Category II AIF.
- c) **Other Non-Individual Shareholders:** Documentary evidence along with the attested copy of the PAN of Shareholders who are exempted from deduction of tax under Section 194 of the Act, and categories covered u/s 196 of the Act.

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d) **National Pension System Trust (NPS):** Self-attested copy of Certificate of Registration and Self-declaration that income is exempt under section 10(44) of the Act.

C. The shareholder who has provided a Certificate issued u/s. 197 of the Act for lower/nil rate of deduction or an exemption certificate issued by Income Tax Authority, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

2. **FOR NON-RESIDENT SHAREHOLDERS:**

a) Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, certificate issued under Section 197/195 of the Act is given by non-resident shareholders for lower/nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

b) 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 Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following documents to Link Intime India Private Limited – RTA of the Company:

i) Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities. If the PAN Card is not allotted, please provide your email address, contact number, tax identification number allotted in the country of residence and address in country of residence.

ii) Self-attested copy of Tax Residency Certificate (**TRC**) (*of FY 2021-2022 or calendar year 2021*) obtained from the tax authorities of the country of which the shareholder is resident.

iii) Self-declaration in Form 10F (available on the website of RTA) if all the details required in this form are not mentioned in the TRC.

iv) Self-declaration in the prescribed format which is available on the website of RTA, certifying on the following points:

a) Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-2022;

b) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

c) Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

d) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

e) Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-2022 or *calendar year 2021*.

c) Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

Note: Please note that in case of non-individuals, declaration of No Permanent Establishment and Beneficial ownership should be on the letterhead of the entity.

Kindly note that the Company is not obligated to apply beneficial tax treaty rates 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.

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In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with the provisions of Section 196D of the Income Tax Act, 1961.

3. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:

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.

Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before 5th August, 2021. The said Dividend will be paid after deducting the tax at source as under:

A. FOR RESIDENT SHAREHOLDERS:

Nil for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN. *Please note that the duly filled up forms submitted through your registered email id will be accepted in the present circumstances due to COVID-19.*

- Lower/Nil withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Act.
- 10.00% for resident shareholders in case PAN is provided/available.
- 20% plus applicable surcharge and cess, for resident shareholders in case PAN is not provided/ not available.

B. FOR NON-RESIDENT SHAREHOLDERS:

- Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/ FPI).

C. FOR ALL SHAREHOLDERS

Applicability of Section 206AB of the Act:

- A. The Finance Act, 2021 inserted a new section 206AB w.e.f. July 1, 2021 requiring the Company to deduct a higher rate of tax in case of non-filers of Return of Income. This section is applicable where dividend is payable by the Company to a "specified person", as defined. Tax will be deducted at higher of the following rates:
- Twice the rate specified in the relevant provision of the Act; or
 - Twice the rate or rates in force; or
 - At the rate of 5%

"Specified person" means a person who has not filed income-tax returns for the two preceding years i.e. financial years 2019-20 and 2020-21 and aggregate of TDS / TCS in his case is Rs. 50,000 or more in each of the two years. This provision is not applicable to a Non-Resident, FPI/FII who do not have a permanent establishment in India.

- B. The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under: <https://www.linkintime.co.in/client-downloads.html>– On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"



The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below: <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please note that uploading of documents (duly completed and signed) on the website of Link Intime India Private Limited viz. www.linkintime.co.in should be done on or before 5th August, 2021, in order to enable the Company to determine and deduct appropriate TDS/Withholding Tax. 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 5th August, 2021. The Company will arrange to email a soft copy of TDS certificate to you at your registered Email ID post completion of activities. 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.

All communications/queries in this respect should be addressed to our RTA - Link Intime India Private Limited to its email address: mt.helpdesk@linkintime.co.in (NO TAX EXEMPTION FORMS SHOULD BE SENT AND THIS MAIL ID IS ONLY FOR QUERIES).

Shareholders are requested to complete necessary formalities with regards to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates or Link Intime India Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your co-operation in this regard.

Thanking you,

Yours faithfully,

For **Crest Ventures Limited**

Sd/-

Namita Bapna

Company Secretary