

June 24, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
<b>BSE Scrip Code: 500067</b>	<b>NSE Symbol : BLUESTARCO</b>

Dear Sir/Madam,

**Sub: Communication to shareholders - Tax Deduction on Dividend payout**

Pursuant to Finance Act, 2020, effective April 1, 2020, Dividend Distribution Tax has been abolished and dividends paid or distributed by a company are taxable in the hands of the shareholders.

In this regard, kindly find enclosed herewith an e-mail communication which has been sent on Friday, June 24, 2022, to all the shareholders whose e-mail IDs are registered with the Company/Depositories stating the process on Tax Deduction at Source (TDS) from dividend, to be paid to the shareholders, along with the format of declarations and tax exemption forms.

Kindly note that all the documents/declarations should be submitted by the shareholders on or before Monday, July 11, 2022 by 5:00 p.m. (IST) in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate as applicable.

The aforesaid information is also placed on the website of the Company at: [www.bluestarindia.com](http://www.bluestarindia.com)

Kindly take the same on record.

Thanking you,  
Yours sincerely,  
For Blue Star Limited



**Rajesh Parte**  
**Company Secretary & Compliance Officer**



Encl: a/a

\\172.16.31.16\Legal and Secretarial Documents\01 Blue Star Limited\2022-23\Stock Exchange Compliances\TDS Communication



**BLUE STAR LIMITED**

(CIN: L28920MH1949PLC006870)

**Registered Office:** Kasturi Buildings, Mohan T Advani Chowk,  
Jamshedji Tata Road, Mumbai 400 020

**Email:** [investorrelations@bluestarindia.com](mailto:investorrelations@bluestarindia.com); **Website:** [www.bluestarindia.com](http://www.bluestarindia.com)

**Telephone No.:** +91 22 6665 4000, +91 22 6654 4000; **Fax:** +91 22 6665 4151

Date: June 24, 2022

Dear \_\_\_\_\_,

We are pleased to inform you that the Board of Directors of the Company at their meeting held on Thursday, May 5, 2022 recommended a final dividend of Rs 10 (Rupees Ten) per equity share of Rs 2 (Rupees Two) each for the financial year ended March 31, 2022, subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') of the Company to be held on Thursday, August 4, 2022 at 3:30 p.m. (IST) through Video Conferencing/Other Audio Visual Means. The Company has fixed Friday, July 22, 2022, as the 'Record Date' for determining entitlement of members to final dividend. The final dividend, if approved by the Members at the AGM, would be paid subject to deduction of tax at source.

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 a company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of final dividend as per the categories mentioned below:

**A. For Resident Shareholders**, taxes shall be deducted at source under Section 194 of the Act at 10% on the amount of dividend, where shareholders have registered their Permanent Account Number (PAN) with Depositories (for shares held in demat form) or with the Company/Link Intime India Private Limited, the Registrar & Transfer Agent of the Company (RTA) (for shares held in physical form). Kindly note that the tax shall be deducted at the rate of 20% in the following cases:

- the Shareholders do not have PAN or have not registered their valid PAN as mentioned above;
- the Shareholders appear as specified person in section 206AB compliance utility.

A Self –Declaration in Annexure – 1 has to be submitted to avoid deduction of tax at higher rate of 20%.

**i. Resident Individuals:**

No tax shall be deducted on the dividend payable to a resident individual if:

- a) Total dividend amount to be received by them during the Financial Year (FY) 2022-23 does not exceed Rs 5,000; or
- b) The Shareholder provides duly filled Form 15G (applicable to individual)/Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met and the form is complete in all the aspects. Incomplete forms will be rejected. Formats of Form 15G and 15H are enclosed herewith. Please note that PAN is mandatory for providing 15G/15H forms.

**ii. Resident Non-Individuals:**

No tax shall be deducted on the dividend payable to the **resident non-individuals viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government) etc.**, where they provide the details and documents as per Annexure – 1 (Self- Declaration).

**B. For Non-Resident Shareholders/ Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII)**

Taxes shall be deducted at source under Section 196D of the Act, at 20% on the amount of dividend payable. Taxes may be deducted as per beneficial rate of the relevant Double Tax Avoidance Agreement (Treaty) between India and the country of tax residence of non-resident shareholder as per Section 90(2) of the Act. For this purpose, following documents should be submitted:

- a) Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
- b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for FY 2022-23. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided;
- c) Self-declaration in Form 10F (attached herewith) for FY 2022-23 if all the details required in this form are not mentioned in the TRC;
- d) Self-declaration in Annexure - 2 (attached herewith) by the non-resident shareholder for FY 2022-23.

In case of Shareholder being tax resident of Singapore, request to furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the above-mentioned details and documents as applicable to you on or before Monday, July 11, 2022. The final dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found satisfactory.

The rate at which taxes are to be deducted at source based on the category of shareholders are mentioned hereunder:

Shareholder Category	Rate of TDS
<b>Resident Shareholders (Individuals)</b>	
Shareholders providing Form 15G/15H	<b>NIL</b>
If Dividend income < Rs 5,000	<b>NIL</b>
If Dividend income > Rs 5,000	- <b>10%</b> in case where PAN is provided/available - <b>20%</b> , in other cases where PAN is not provided/not available - <b>20%</b> in case where shareholder appears as specified

	person in section 206AB compliance utility
<b>Resident Shareholders (Non-Individuals)</b>	
Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government) etc.	<b>NIL</b>
<b>Non – Resident shareholders</b>	
Non-Resident Shareholders ( <b>Including investments made under FPI/FII route</b> )	<b>20% or lower rate</b> as mentioned in Tax Treaty, if the applicable details/documents are satisfactorily provided as aforementioned

**Notes:**

- i. All the above referred tax rates for non-resident Shareholders shall be duly enhanced by the applicable surcharge and cess.
- ii. TDS to be deducted at higher rate in case of non-filers of Return of Income (Section 206AB):

The Finance Act, 2021, has *inter alia* introduced special provisions vide Sections 206AB of the Act, which would be effective from July 1, 2021. Accordingly, tax at higher of the following rates would be deducted from the amount paid/credited to 'specified person':

- (a) At twice the rate specified in the relevant provision of the Act; or
- (b) At twice the rate or rates in force; or
- (c) At the rate of 5%.

*The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June, 2021, notified the functionality for determining whether the Shareholder is a 'Specified person' as per Section 206AB or not. The Company will be using functionality of the Income Tax department to determine the applicability of Section 206AB of the Act.*

- iii. Shareholders may provide Nil/lower withholding tax certificate issued by the Income Tax department under Section 197 of the Act and valid for FY 2022-23. In such cases, TDS will be deductible as per the rates stated in the certificate.
- iv. In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules. No declaration will be accepted after Company has filed its TDS return in accordance with due date prescribed by law.
- v. Please also note that in case the Shareholder has multiple accounts under different category/status, then the higher rate of tax as applicable to the category/status shall be considered on his entire holding in different accounts.

Kindly note that the aforementioned documents are required to be submitted to our RTA at its dedicated weblink at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or send the scanned copies of the documents at the email address [bluestardivtax@linkintime.co.in](mailto:bluestardivtax@linkintime.co.in) on or before **Monday, July 11, 2022, 5:00 p.m. (IST)** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate applicable.

Kindly note that incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

**No communication on the tax determination/deduction in respect of the final dividend shall be considered/entertained post July 11, 2022, 5:00 p.m. (IST).** It may be further noted that in case the tax on said final 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 with the Tax Authorities and claim an appropriate refund, if eligible.

**No claim shall lie against the Company for such taxes deducted.** The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India at <https://www.incometax.gov.in/iec/foportal>

All communications/queries in this respect should be addressed and sent to our RTA at its email address [bluestardivtax@linkintime.co.in](mailto:bluestardivtax@linkintime.co.in)

To view / download Form 15G [click here](#).

To view / download Form 15H [click here](#).

To view / download Form 10F [click here](#).

To view / download Resident Declaration-Annexure-1 [click here](#).

To view / download Non-Resident Declaration-Annexure-2 [click here](#).

Thanking you,  
Yours sincerely,  
For **Blue Star Limited**

**Rajesh Parte**  
**Company Secretary & Compliance Officer**  
**Membership No.: A10700**

***Disclaimer:*** This Communication shall not be treated as an advice from the Company or its affiliates or RTA.

**Note:** This is a system generated email. Please do not reply to this email.