

DOLAT ALGOTECH LIMITED

(FORMERLY KNOWN AS DOLAT INVESTMENTS LIMITED)

Corporate Office: 301-308, Bhagwati House, Plot, A/19, Veera Desai, Andheri (West), Mumbai - 400 058

TEL.: 91-22-2673 2602/03/04/65704167/68/69/70/71 FAX: 91-22-26732642,

Website: www.dolatinvest.com, E-mail: post@dolatinvest.com or grievances@dolatinvest.com

Corporate Identity Number: L67100GJ1983PLC126089

21st May, 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.
Scrip code : 505526

Dear Sir / Madam,

Sub.: Communication to Shareholders - Intimation on Tax Deduction on Dividend

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories intimating about the applicable provisions of the Income-tax Act, 1961, as amended, relating to the TDS on the First Interim dividend declared for FY 22-23 and the procedure to be followed by the shareholders for submission of relevant forms, documents, etc.

Please take the above on record and oblige.

Thanking you,

Yours Faithfully,

For **DOLAT ALGOTECH LIMITED**

Sandeepkumar G. Bhanushali
Company Secretary & Compliance Officer

Place : Mumbai

Encl: As Above

DOLAT ALGOTECH LIMITED

Corporate Office: 301-308, Bhagwati House, A/19, Veera Desai Road, Andheri (W), Mumbai 400058.

Tel: 9122 267 32602 Fax: 9122 267 32642

Regd. Office: Unit no PO6-02A - PO6-02D, Tower A, WTC, Block 51, Zone-5, Road 5E, Gift

City, Gandhinagar, Gujarat – 382355

CIN: L67100GJ1983PLC126089; website: www.dolatinvest.com; Email: post@dolatinvest.com

19th May, 2022

Folio No. - _____

Name - _____

Dear Shareholder,

Sub: Tax Deduction at Source on Dividend for Financial Year 2022-23.

We are pleased to inform you that the Board of Directors at their Meeting held on 13th May, 2022 has declared First Interim Dividend of ₹ 0.25 (25%) per Equity Share of ₹ 1/- each for the Financial Year 2022 - 23. Interim Dividend shall be paid to the equity shareholders of the company whose name appear on the register of Members of the company or in the records of the depositories as beneficial owners of the shares as on Tuesday, May 24, 2022 which is the Record date fixed for the purpose.

In accordance with the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a company on or 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 said Dividend.

This communication summarizes the applicable TDS provisions in accordance with the provisions of the Act for various shareholder categories, including a Resident or Non-Resident shareholder. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the Interim Dividend will be paid after deducting TDS as explained herein.

The applicable TDS provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories are as follows:

I. **RESIDENT SHAREHOLDERS:**

Section	Category	Rate of Tax	Remarks
196	Mutual Funds	0%	Applicable for Mutual Funds specified under section 10(23D) of the Act (including mutual funds registered with SEBI) (*) (***) .
197A(1F)	Alternative Investment Funds (AIF)	0%	Applicable for Category I and II AIF registered with SEBI (*) (***) . In the case of Category III AIFs, TDS would be @ 10% if PAN is valid and section 206AB (discussed below)(****) is not applicable
197A(1E)	National Pension Scheme	0%	
194	Insurance companies	0%	Applicable for Insurance companies registered under IRDA (*) (***) .
194	Resident Individuals	0%	(i) If aggregate dividend distributed or likely to be distributed during FY 2022-23 does not exceed Rs 5,000/-; or (ii) If valid Form 15G or 15H (#), as the case may be, is furnished (*) (***) .
194	Other Residents	10%	PAN available in the register of members must be valid (**). In the absence of PAN or invalid PAN, TDS @ 20% would be applicable.
197	All resident shareholders	($\$$)	($\$$) TDS at rates prescribed under lower deduction certificate issued by the Income tax authority valid for Financial Year 2022-23, covering dividend income (*) (***) .
	Resident shareholders entitled to exemption from TDS under any other section of the Act or vide any Income tax circulars issued by Indian tax authorities	0%	Depends on documentary evidence (e.g. relevant copy of registration, notification, order, circular etc. issued by Indian tax authorities) in support of claim of TDS exemption (*) (***) .
	Other resident shareholders without PAN/ invalid PAN/ deleted PAN / specified person as per section 206AB (****)	20%	(****) twice the applicable rate would be applied in case the shareholder: a) has not filed his income tax return for the previous year immediately preceding the financial year in which the tax is required to be deducted and for which the time limit of filing original return of income has lapsed; and the TDS deducted in its case exceeds Rs. 50,000 in

			aforesaid previous year;
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II. **NON-RESIDENT SHAREHOLDERS**

Section	Category	Rate of Tax	Remarks
196D	FII/FPI	20%	Rate to be increased by applicable surcharge & cess. FII/ FPI to be entitled to avail beneficial tax rate if any under Double Taxation Avoidance Agreements if documents referred in row below are duly submitted.
195	Other Non-residents shareholders	20%	<p>Rate to be increased by applicable surcharge & cess.</p> <p>While the Company is not obliged to apply a lower TDS rate as per Double Taxation Avoidance Agreements ("DTAA"), the Company may consider applying a lower rate, if following documents are submitted (*)(**):</p> <ol style="list-style-type: none"> Copy of valid PAN (**) Copy of TRC of the country of residence of the shareholder valid for Financial Year 2022-23 Self-declaration in Form 10F Self-declaration of having no Permanent Establishment in India, Beneficial ownership of shares and dividend income and eligibility to claim treaty benefits, as per specimen available at the portal of the RTA. In the case of shareholder other than individuals, the declaration has to be on the official letterhead of the entity with reference to the authorization date of the Board/Trust resolution in favour of the authorized signatory to sign the document.
197	All non-resident shareholders	(\$)	(\$) TDS at rates prescribed under lower deduction certificate issued by the Income tax authority valid for Financial Year 2022-23,

			covering dividend income (*) (***)
	Non-resident shareholders entitled to any exemption from TDS	0%	Depends on documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of claim of TDS exemption (*) (***)
	Other non-resident shareholders in case the shareholder is a specified person as per section 206AB (****)	(#)	(****) twice the applicable rate would be applied in case the shareholder: a) has not filed his income tax return for the previous year immediately preceding the financial year in which the tax is required to be deducted and for which the time limit of filing original return of income has lapsed; and the TDS deducted in its case exceeds Rs. 50,000 in aforesaid previous year; and b) the shareholder has a permanent establishment in India)

(*) The documents have to be uploaded on the portal <https://www.purvashare.com/submission-of-form-15g-15h-10f> on or before May 26, 2022. Alternatively, physical documents may be sent to RTA at the following address:

Purva Sharegistry (India) Pvt. Ltd., Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg, Lower Parel (E), Mumbai 400 011

(**) If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN.

(***) All documents to be submitted are required to be self-attested (the documents should be signed by shareholder/authorised signatory stating the document to be "certified true copy of the original"). Benefits depend upon availability of the documents within the time specified and verification of the same by the Company. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

(****) The Finance Act, 2021 has inter-alia inserted Section 206AB of the Act with effect from 1st July, 2021, which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as specified persons). This section has been further amended by the Finance Act, 2022. Now, u/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- (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%.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

"Specified person" as defined u/s 206AB (3) is someone who has:

(a) not furnished income tax return for the previous year 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 Act has expired; and

(b) The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in the aforesaid previous years.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a "specified person".

Please note that the information regarding whether a shareholder is a specified person or not will be determined using the specified functionality of the Income Tax Department. Accordingly, it is advised that non-residents who have not filed their income tax returns in the past years, provide a declaration stating that they do not have a permanent establishment in India.

NOTE:

- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members on the record date and any other additional documents that may be submitted.
- If the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the record date, the registered shareholder is required to furnish a declaration to the Company containing the name, address, permanent account number of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before May 26, 2022.
- If, for any reason, TDS is deducted at a higher rate, the shareholder can claim refund of excess TDS, by filing Income-tax return in India, subject to fulfilment of the applicable conditions.
- 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 shareholders, such shareholders will be responsible to pay and indemnify such income-tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income-tax/appellate authority.
- The Company will arrange to email a soft copy of the TDS certificate to the registered email IDs of the shareholders in due course. The TDS amount will also be reflected in Form 26AS of the shareholder, 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 LAW IN A SUMMARISED MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES. SHAREHOLDER SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

The aforementioned documents should be uploaded on <https://www.purvashare.com/submission-of-form-15g-15h-10f/> or sent to the Company's email id at post@dolatinvest.com on or before May 26, 2022.

The Company will not be able to consider the documents/communication uploaded on portal or received physically, after May 26, 2022.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted. Shareholders will 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/>.

We seek your co-operation in the matter.

Thanking you,

Yours faithfully,

For **Dolat Algotech Limited**

SD/-

Sandeepkumar G. Bhanushali
Company Secretary & Compliance Officer

To download 15H - [Click Here](#)

To download 15G - [Click Here](#)

To download 10F - [Click Here](#)

To download No PE Declaration - [Click Here](#)