

Donear/SECD/SE/2023-24/024

August 25, 2023

To,
The Manager,
Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort, Mumbai - 400 001

The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: 512519

Symbol: DONEAR

Dear Sir / Madam,

Sub: Communication to Shareholders – Intimation on Tax Deduction on Dividend

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of the final dividend of Rs. 0.20/- per equity share as recommended by the Board of Directors at its meeting held on May 20, 2023, if approved, at the ensuing 37th Annual General Meeting of the Company.

In this regard, please find enclosed herewith an e-mail communication which is sent to all the shareholders of the Company whose e-mail IDs are registered with the Company/ Depositories explaining the process on withholding tax from dividends paid to the shareholders at prescribed rates, as may be applicable, along with the necessary annexures.

This communication is also being available on the website of the company at <https://donear.com/investor>.

We request you to take the above information on record.

Yours faithfully,

For **Donear Industries Limited**



Sachin Gupta
Company Secretary & Compliance Officer
Membership No.: F12500

Encl.: As Above



DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Office: Donear House, 8th Floor, Plot No. A – 50, Road No. 1,
MIDC, Andheri (East), Mumbai – 400 093.

Tel No: +91 22 6834 8100 **Fax No.:** +91 22 6834 8313

E-mail: investor@donear.com **Website:** www.donear.com

Date: August 25, 2023

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on Saturday, May 20, 2023, recommended a final dividend of Rs. 0.20/- (10 %) per equity share of Rs. 2/- each for the Financial Year 2022-23. The said final dividend, if approved at the ensuing 37th Annual General Meeting will be payable to those Shareholders whose names appear in the Register of Members of the Company and as beneficial owners in the Depositories as on the record date i.e. Monday, September 18, 2023.

As per the Income Tax Act, 1961, 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 the said dividend.

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the Income tax Act, 1961 at 10% on the amount of dividend payable, if you have provided Permanent Account Number (PAN). If no PAN is provided, then the tax shall be deducted at source at 20%. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during Financial Year does not exceed Rs. 5,000. In cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm. Format link is mentioned in this letter) / Form 15H (applicable to an Individual above the age of 60 years. Format link is mentioned in this letter) and provided that all the required eligibility conditions are met, no tax will be deducted at source.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income tax Act, 1961 at 20% on the amount of dividend payable.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. Accordingly, as per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% on the amount of dividend payable to them. However, as per Section 90(2) of the Income tax Act, 1961, 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, if they are more beneficial to them. For this purpose, i.e. to avail a lower rate of deduction of tax at source under an applicable tax treaty, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident. 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.
3. Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC;
4. Self-declaration by the non-resident shareholder as to:
 - a. Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - b. No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
 - c. Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

Apart from above, if a shareholder is a “specified person” for FY 2022-23, being a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years as specified u/s 206AB of Income tax Act, applicable from July 1, 2021, tax will be deducted at twice the rate specified under income tax of the Act. Provided that the specified person shall not include a non-resident who does not have a permanent establishment in India.

The forms for tax exemption can be downloaded from website of Link Intime India Private Limited. The URL for the same is www.linkintime.co.in/client-downloads.html - On this page select the **General tab**. All the forms are available in under the head “**Form 15G/15H/10F**”.

Please upload the applicable documents (duly completed and signed) on the website of Link Intime India Private Limited at (<https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>) to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to provide the above-mentioned details and documents as applicable to you on or before September 15, 2023, 5.00 p.m. (IST). 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 to be satisfactory.

The withholding tax rate would vary depending on the residential status of the Shareholder(s) and the documents submitted by them and accepted by the Company. Accordingly, the above referred final Dividend will be paid after deducting the tax at source as follows:

Shareholder Category	Rate of TDS
Resident Shareholders	
Shareholders providing Form 15G/15H	NIL
If Dividend income < Rs. 5,000	NIL
If Dividend income > Rs. 5,000	- 10% in case where PAN is provided / available - 20% , in other cases where PAN is not provided / not available
Non – resident shareholders	
FPI Shareholders	20%
Other Non-resident Shareholders	20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

Notes:

All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.

Kindly note that the aforementioned documents (duly completed and signed) are required to be submitted to our Registrars & Transfer Agents, Link Intime India Private Limited at its dedicated link mentioned below - <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before September 15, 2023, 5.00 p.m. Indian Standard Time (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

No communication on the tax determination/deduction in respect of the said final Dividend shall be entertained after September 15, 2023, 5.00 p.m. (IST). 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 and sent to our RTA, Link Intime India Private Limited at its email address rnt.helpdesk@linkintime.co.in. The Company shall arrange to email a soft copy of TDS certificate to you at your registered email address in due course.

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>

Disclaimer: This Communication is not to 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. **No claim shall lie against the Company for such taxes deducted.**

We request your cooperation in this regard.

Thanking You,

Yours faithfully,

For **Donear Industries Limited**

Sachin Gupta
Company Secretary & Compliance Officer
Membership No. F12500