

Date: September 16, 2024

To, The Secretary, Listing Department BSE Limited P. J. Towers, Dalal Street Mumbai – 400001 <b>Scrip Code:</b> 543591	To, The Listing Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400051 <b>Symbol:</b> DREAMFOLKS
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**Sub: Communication to Shareholders - Intimation of Tax Deduction on Dividend**

Dear Sir/Madam,

Please find enclosed herewith an e-mail communication which has been sent to all the shareholders of the Company whose e-mail IDs are registered with the Company/Depositories, explaining the process and documentation required for claiming tax exemption, at applicable rates, if any, on the proposed Dividend to be paid, subject to the approval of the Shareholders at the ensuing Annual General Meeting to be held on September 24, 2024.

You are hereby requested to take the above intimation on record.

Thanking You

**For Dreamfolks Services Limited**



**Liberatha Peter Kallat**  
**Chairperson and Managing Director**

**Encl: As above**



**Dreamfolks Services Limited**

**Registered Office:** 26, DDA flats, Panchsheel Park, Shivalik Road, New Delhi - 110017

**Corporate Office:** 501, Tower 2, Fifth floor, Worldmark, Sector-65, Gurugram, Haryana-122018

**Phone No.:** 0124-4037306, **CIN:** L51909DL2008PLC177181

**Email:** [investor.support@dreamfolks.in](mailto:investor.support@dreamfolks.in); **Website:** [www.dreamfolks.in](http://www.dreamfolks.in)

**Subject: Communication of Tax Deducted at Source (TDS) on Dividend (under Section 194/195/196D of the Income Tax Act, 1961)**

Dear Member,

We are please to inform that the Board of Directors of Dreamfolks Services Limited (the “Company”) at its meeting held on May 28, 2024, had proposed a final dividend of Rs. 1.5/- (i.e. 75%) per equity share of the face value of Rs. 2/- each fully paid-up for the financial year ending on March 31, 2024, subject to approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company scheduled to be held on September 24, 2024. The said dividend will be payable to those Members whose names appear in the Register of Members of the Company on the **Record date September 17, 2024.**

In accordance with the provisions of the Income Tax Act, 1961 (hereinafter referred to as the “IT Act”), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its Members and the Company is required to deduct tax at source (“TDS”) from dividend paid to the Members at the applicable rates.

This communication summarizes the applicable TDS provisions in accordance with the provisions of the IT Act, for various Member categories, including Resident or Non-Resident Members.

**For Resident Members:**

For Financial Year 2024-25, taxes shall be deducted at source under Section 194 of the IT Act as follows:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Rate of TDS</b>	<b>Documents required</b>
1	Valid PAN updated in the Company’s Register of Members	10%	No document required (if no exemption is sought)
2	No PAN / Valid PAN not updated in the Company’s Register of Members	20%	No document required (if no exemption is sought)

3	Non-Linking of PAN with Aadhaar, if allotted	20%	No document required (Refer Note given below)*
4	Availability of lower / nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower / Nil tax deduction certificate obtained from Income Tax Authority

**\*Note:** In terms of Section 139AA of the Act read with Rule 114AAA of the Income Tax Rules, 1962, Aadhaar number is required to be linked with the PAN. In case of failure of linking the Aadhaar number with the PAN within the above prescribed timeline, the PAN would be considered as inoperative and, in such scenario, the tax shall be deducted at higher rate of 20.00% as per Section 206AA of the Act. The Company will rely on the reports downloaded from the reporting portal of the Income Tax Department for checking the validity of PANs / inoperative PANs / specified persons under Section 206AB of the Act.

However, no tax shall be deducted on the dividend payable to a Resident Members (Individual), if the total dividend to be received by them during Financial Year 2024-25 does not exceed Rs. 5,000 (Five Thousand only).

For Shareholders who are identified as “Specified Persons” under Sec 206AB of the IT Act, higher tax rate, as applicable, would be deducted if:

- Shareholder has not filed the returns of income for the assessment year relevant to the previous year immediately before the previous year in which tax is required to be deducted/ collected.
- Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more for the said previous year.

For the purpose of TDS, the Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly.

**No Tax will be Deductible at Source on Dividend payment to Resident Shareholders, if the Shareholders submit and register following documents as mentioned in Column No. 3 of the below table with the Company / RTA of the Company:**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Submission of Form 15G / Form 15H	NIL	Declaration in Form No. <b>15G</b> (applicable to an individual who is less than 60 years) / Form No. <b>15H</b> (applicable to an Individual who is 60 years and above), fulfilling certain conditions ( Refer Annexure 1 for Form 15G and Annexure 2 for 15 H)
Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable to them: 1. PAN 2. Registration certificate along with

		3. Self-declaration given in <b>Annexure 3</b>
Mutual Funds	NIL	Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is covered under Section 196 of the Act along with Self-declaration given in <b>Annexure 3</b>
Alternative Investment fund (AIF) established/ incorporated in India	NIL	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 along with the following documents 1. Self-attested copy of the PAN card 2. Registration certificate 3. Self-declaration given in <b>Annexure 3</b>
Recognized Provident Fund	NIL	Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule (OR) Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 needs to be submitted along with Self-declaration given in <b>Annexure 3</b>
Approved Superannuation Fund / Approved Gratuity Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted: a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in <b>Annexure 3</b>
National Pension Scheme	NIL	Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with Self-declaration given in <b>Annexure 3</b>
Entities exempt under Section 10 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration given in <b>Annexure 3</b> duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in <b>Circular No.18 of 2017</b> )
Corporation established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income-tax on its income	NIL	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration given in <b>Annexure 3</b> .

including entities in which such corporations are the beneficial shareholders		
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Benefit under Rule 37BA	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Member/ intermediaries/ stockbrokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration given in <b>Annexure 4.</b>

**For Non-Resident Members:**

Withholding tax on dividend payment to non-resident shareholders, if the non-resident shareholders submit following documents as mentioned in Column No. 4 of the below table with the Company / RTA of the Company:

Sr. No.	Particulars	Rate of TDS	Documents required
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non-resident shareholders	20.00% (plus applicable surcharge and cess) OR Tax Treaty Rate whichever is lower	To avail beneficial rate of tax as per applicable tax treaty, following documents would be required: <ol style="list-style-type: none"> <li>1. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2024 and financial year 2025 (covering the period from April 1, 2024 to March 31, 2025)</li> <li>2. Self-attested PAN allotted by the Indian Income Tax authorities;</li> <li>3. Digital Form 10F duly filled in &amp; signed on income tax portal covering the period from April 1, 2024 to March 31, 2025;</li> <li>4. Self-declaration for non-existence of permanent establishment / fixed base in India in the format provided and specifically addressed to the Company;</li> <li>5. FPI registration number / certificate, if applicable</li> </ol>
2.	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank

Sr. No.	Particulars	Rate of TDS	Documents required
3.	Any non - resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from WHT deduction
4.	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower / Nil tax deduction certificate obtained from Income Tax Authority

**For all Members who are seeking exemption from tax on dividend:**

The aforementioned documents (duly completed, signed and scanned) shall be submitted to our RTA, Link Intime India Private Limited by clicking the URL <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by September 23, 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable. No communication on the tax determination/deduction shall be entertained after September 23, 2024.

**Please note that all the Tax related documents should be uploaded through above link only and documents (if sent) on other email ids will not be entertained.**

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

To view / download Annexure-1 Form 15G [click here](#)

To view / download Annexure-2 Form 15H [click here](#)

To view / download Annexure-3 Self declaration [click here](#)

To view / download Annexure-4 TDS Declaration Format under Rule 37BA [click here](#)

To view / download Annexure-5 Tax Residency [click here](#)

Members may please note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, non-compliance of prescribed procedure or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per IT Act and claim appropriate refund, if eligible. Shareholders, whose valid PAN is updated, 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/>

**Notes:**

1. After receipt of any of the above declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
2. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
3. In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
4. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
5. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

**UPDATION OF BANK ACCOUNT DETAILS:**

SEBI, vide its various Circulars has mandated that dividend, interest or redemption shall be paid only through electronic mode with effect from April 01, 2024. Kindly update the KYC details data viz., PAN Number, email id, address, mobile number and bank account details etc with the Company / RTA / Depository Participant at the earliest to avoid delay in receipt of dividend as dividend will be paid only through electronic mode.

We request your cooperation in this regard.

Yours faithfully,

For **Dreamfolks Services Limited**

Sd/-

**Liberatha Peter Kallat**

**Chairperson and Managing Director**

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

*Please note that this communication is applicable only if you are an eligible Member to receive dividend as on the record date to be published by the Company.*

**Note: Please don't reply to this e-mail, as this e-mail id is not monitored.**