



# Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

July 27, 2021

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. <b>Scrip Code: 526729</b>	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Mumbai- 400 051. <b>Scrip Code: GOLDIAM EQ</b>
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Respected 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.

In this regard, 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 on withholding tax from dividends paid to the shareholders at prescribed rates.

This is for your information and record.

Yours faithfully,  
For **Goldiam International Limited**

**Pankaj Parkhiya**  
Company Secretary & Compliance Officer

**Enclosed: a/a**

**Registered Office**

Gems & Jewellery Complex, Santacruz Electronics Export Processing Zone, Andheri (East), Mumbai-400096. India

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## **GOLDIAM INTERNATIONAL LIMITED**

**CIN: L36912MH1986PLC041203**

**Registered Office:** Gems & Jewellery Complex, M.I.D.C., SEEPZ, Andheri (East),  
Mumbai - 400 096.

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July 27, 2021

**REF: FOLIO/DPIId & ClientId No.: 0000528**

**Name of the Shareholder: Naresh Gupta**

Dear Shareholder,

**Subject: Goldiam International Limited - Information required on TDS for Dividend Payout**

We hope that you and your family are doing well and are safe and healthy.

We wish to inform you that the Board of Directors ("Board") of Goldiam International Limited ("the Company") have at their meeting held on May 25, 2021 recommended a dividend of Rs. 3/- per equity share having face value of Rs. 10/- each for the financial year ended March 31, 2021.

The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on the record date i.e. August 13, 2021.

In terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a Company on or after April 1, 2020 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 dividend.

The deduction of tax at source ("TDS") will be based on the category of shareholders and subject to fulfilment of conditions as provided hereinbelow:

**For resident shareholders:**

Tax will be deducted at source ("TDS") in terms of the provisions of the Income Tax Act, 1961 on the amount of dividend payable unless exempted under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed Rs. 5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

**Needless to mention, the Permanent Account Number ("PAN") will be mandatorily required.**

If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. 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.

In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

- **Insurance companies:** A declaration that they are beneficial owners of shares held;
- **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested by the competent authority);
- **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempted under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) should be provided.
- **New Pension System Trust:** A declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act along with copy of registration documents (self-attested);
- **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income- tax on its income - Documentary evidence that the person is covered under section 196 of the Act.

**For non-resident shareholders:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
- Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
- Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- Self-declaration by the non-resident shareholder as to:
  - 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;
  - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;

- Shareholder being the beneficial owner of the dividend income to be received on the equity shares of the Company.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by non- resident shareholders.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

#### ➤ **Section 206AB of the Act**

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years 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
- The aggregate of TDS /tax collected at source in his case is Rs.50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

In order to identify such non-filers, Central Board of Direct Taxes ("CBDT") has introduced a new utility 'Compliance Check for Section 206AB & 206CCA'. Company will check for each of its shareholders as to whether they qualify as a specified person or not as per section 206AB of the Act. Based on the report generated from the government utility, the

company will apply higher withholding tax rate on such specified shareholders.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than 30<sup>th</sup> July, 2021.

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 (refer format) with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

**To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than August 13, 2021.**

To summarise the abovementioned details, dividend will be paid after deducting the tax at source as under:

- NIL for resident shareholders receiving dividend upto Rs. 5000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for resident shareholders in case copy of PAN card is provided/available.
- 20% for resident shareholders if copy of PAN card is not provided / not available.
- 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.
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under section 197 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

Tax deducted by the Company is final and **no claim shall lie against the Company for tax deducted at higher rate, for any reason, whatsoever.**

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(s), such Shareholder(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

**SUBMISSION OF TAX RELATED DOCUMENTS:**

Shareholders are requested to send the scanned copies of the documents mentioned above at the email ids mentioned below:

<b>Resident</b> shareholders to send to	:	<a href="https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html">https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html</a>
<b>Non-Resident</b> shareholders to send to	:	<a href="https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html">https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html</a>

**No communication on the tax determination / deduction shall be entertained after August 13, 2021.**

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://incometaxindiaefiling.gov.in>.

***Disclaimer:*** This Communication shall not be treated as an advice from the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We seek your co-operation in the matter.

Thanking you,

For Goldiam International Limited  
Sd/-  
(Pankaj Parkhiya)  
Company Secretary & Compliance Officer

**Attention Members****Mandatory updation of PAN and Bank details against your Shareholding**

Pursuant to SEBI circular dated April 20, 2018, shareholders, whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars, are required to compulsorily furnish the PAN and Bank details to the RTA By clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) the Company at [investorrelations@goldiam.com](mailto:investorrelations@goldiam.com) for registration in the folio so that the investments held by you will be fully protected with proper KYC compliance. Please note that no payment can be made in absence of complete bank details registered against your account.

**Green Initiative in Corporate Governance**

We solicit your valuable cooperation and support in our endeavour to contribute our bit to the environment and also keeping in view of continuing Covid-19 pandemic and the social distancing norms, the Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 20/2020 dated May 5, 2020, the General Circular No. 02/2021 dated January 13, 2021, SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15,

2021 (collectively referred as “the Circulars”) have permitted holding of Annual General Meeting (AGM) through VC or OVAM, without the physical presence of the Members at a common venue and dispensed the requirement of sending hard copy of Annual Report. In view of the above mentioned circulars, the AGM of the members of the Company will be held through VC/OVAM and the Annual Report will be sent to the registered email ids of members, therefore it is earnestly requested again that from the Members who have yet not registered/updated their e-mail ids to notify the same to the Company at [investorrelations@goldiam.com](mailto:investorrelations@goldiam.com) or to the Registrar and Share Transfer Agent of the Company by clicking the link [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) or to the concerned depository.

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