

QUESS CORP LIMITED

(CIN: L74140KA2007PLC043909)

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Date: 10/11/2022

Dear Shareholder,

Subject: Intimation in respect to Deduction of tax on Interim Dividend for the financial year 2022-23

We wish to inform you that the Board of Directors ("**Board**") of the Company had at its meeting held on November 09, 2022, declared interim dividend of Rs. 8/- per equity share having face value of Rs. 10/- for the financial year 2022-23.

As you may be aware, in terms of the provisions of the Income Tax Act, 1961, ("**IT Act**") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020 is taxable in the hands of the members. The Company shall therefore be required to deduct tax at source ("**TDS**") at the time of payment of dividend to shareholders at the applicable rates.

Tax rates that are applicable to members depend upon their residential status and classification as per the provisions of IT Act. All members are requested to update the residential status and category in their respective Demat accounts with Depository Participant ("**DP**"), if the shareholding is in Demat form or with the Company's Registrar & Transfer Agent ("**RTA**"), M/s. Link Intime (India) Private Limited, if the shareholding is held in physical form.

Tax will be deductible on such dividend payment, if you are a shareholder as on Friday, November 18, 2022, being the record date fixed for the purpose of dividend payment.

This communication summarizes the applicable TDS provisions as per IT Act, for Resident and Non-Resident member's categories.

1. For resident shareholders:

Tax will be deducted at source ("**TDS**") under Section 194 of the Act @ 10% 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 FY 2022-23 does not exceed Rs. 5,000. TDS will be subject to the below requirements:

Where, Permanent Account Number ("PAN**") is available and such PAN is valid/operative as per the provisions of IT Act:**

In accordance with Section 194 of IT Act, for resident members where tax is deductible at source under this provisions of IT Act, TDS shall be applied from the dividend amount at rate of 10%, except for members (where tax will be deductible at a higher rate as per provisions of Section 206AA or Section 206AB of IT Act), who have not registered their valid PAN or for individual members whose PAN is considered inoperative, if Aadhaar is not linked with their PAN or for resident members who have not filed its return of income for two consecutive previous years and aggregate TDS exceeds ₹ 50,000 in each of the two

previous years (as per Section 206AB), (effective from July 1, 2021) to be verified by the Company from the Government enabled online facility.

The above TDS will be applied by the Company unless exempt under the provisions of IT Act and subject to furnishing of the following self-certified documents:

- **Form 15G / 15H in the case of eligible Resident Individual members:**

No TDS shall be applied in the case of a resident individual member, if the member provides duly signed Form 15G (applicable to an individual below the age of 60 years) or Form 15H (applicable to an individual of the age of 60 years and above), provided that all the prescribed eligibility conditions are met (*Format of declaration forms are annexed as Annexure "1" and Annexure "2" respectively*).

- **Insurance companies:**

Documentary evidence (*PAN and registration certificate along with self-declaration in the format annexed as Annexure "3"*) that the provisions of Section 194 of IT Act are not applicable to them (self-attested by the competent authority with affixed stamp).

- **Mutual Funds:**

Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of IT Act and is covered under Section 196 of IT Act. (*Format of declaration form is annexed as Annexure "3"*).

- **Alternative Investment Fund ("AIF") established in India:**

Self- declaration that its dividend income is not chargeable under the head "Profit and Gains of Business or Profession" and exempt under Section 10(23FBA) of IT Act and they are established as Category I or Category II AIF under the SEBI regulations. (*Format of declaration form is annexed as Annexure "3"*).

- **Entities exempt under Section 10 of IT Act:**

In case of resident non-individual members, if the income is exempt under IT Act, the authorized signatory shall submit the declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS (*Format of declaration form is annexed as Annexure "3"*).

- **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 IT Act (*Format of declaration form is annexed as Annexure "3"*).

- **Benefit under Rule 37BA:**

In case where shares are held by intermediaries / stock-brokers and TDS is to be applied by the Company in the PAN of the beneficial members, then intermediaries / stock-brokers and beneficial members will have to provide a declaration. (*Format of declaration is annexed as Annexure "4"*).

This declaration should be shared within 2 days from the record date as may be intimated by the Company. Kindly note that no declaration shall be accepted after 2 days from the record date.

Where a shareholder furnishes a valid Nil or lower tax rate deduction certificate under Section 197 of IT Act, TDS will be applied as per the rates prescribed in such certificate.

3. For Non-resident shareholders:

1) Tax is required to be withheld in accordance with the provisions of Section 195 of IT Act at applicable rates in force and as per Section 196D of IT Act. As per the provisions of IT Act, the tax shall be withheld @ 20% (plus surcharge and cess, as applicable) on the amount of dividend payable.

2) As per Section 90 of IT Act, a non-resident member has an option to be governed by the provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such member. To avail the DTAA benefits, the non-resident member will have to compulsorily provide the following documents:

- Copy of Permanent Account Number (“PAN”), if available.
- Self-attested copy of Tax Residency Certificate (“TRC”) issued by the revenue authorities of the Country of which shareholder is tax resident, evidencing and certifying member’s tax residency status during the financial year 2022-23.
- Completed and duly signed Self-Declaration in Form 10F (Format of the declaration is annexed as **Annexure “5”**).
- Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable tax treaty and beneficial ownership by the non-resident member (Format of the declaration is annexed as **Annexure “6”**).
- In case of Foreign Institutional Investors and Foreign Portfolio Investors - copy of SEBI registration certificate.
- In case of shareholder being tax resident of Singapore proof of satisfying requirement of Article 24 – Limitation of Relief should be provided.

The Company will apply at its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to non-resident members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident members.

- Where a member furnishes valid nil / lower withholding tax certificate under Section 195 / 197 of IT Act, withholding tax will be applied as per the rates prescribed in such certificate.

Please note: Members 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 are held under a PAN will be considered on their entire holding in different accounts.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents with a duly certified copy of Board Resolution (wherever applicable) latest by November 18, 2022 at guesscorpltdtaxexemption@linkintime.co.in or upload their documents on the link as mentioned below.

Note:

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

To summarize, the dividend will be paid after deducting the tax at source as under:

- i) NIL for resident members receiving dividend upto ₹ 5000 or in case Form 15G / 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- ii) 10% for resident members in case copy of PAN card is provided / available.
- iii) 20% for resident members, if copy of PAN card is not provided / not available / invalid / inoperative / specified person as per Section 206AB of IT Act.
- iv) Tax will be assessed on the basis of documents submitted by the non-resident members.
- v) 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- vi) Lower / Nil TDS on submission of self-attested copy of the certificate issued under Section 197 of IT Act.

Please note that the aforementioned documents should be uploaded with Company's RTA at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email to guesscorpltdtaxexemption@linkintime.co.in. No communication on the tax determination/deduction shall be entertained after Friday, November 18, 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 a refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. 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 member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

Members, 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/>.

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 deductee should file a declaration with Company in the manner prescribed by Rules. **The company shall not accept any such declaration and amend its TDS return after two months of making payment of dividend.**

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at - rnt.helpdesk@linkintime.co.in

Updation of PAN, Email address and other details:

All the members are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their DPs, if the shareholding is in Demat form or with the Company's RTA, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "**the Depositories**"), in case of shares held in Demat mode and from the RTA, in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Updation of Bank Account for payment of Dividend:

While on the subject, we request you to submit / update your bank account details with your DP, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with the Company's RTA, M/s. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Tel: +91-22-49186270, Email: rnt.helpdesk@linkintime.co.in. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank passbook statement, duly self-attested. In absence of bank account with requisite particulars, the dividend warrants will be posted to you.

The shareholders can also access the web portal of RTA which can be at the following link: https://web.linkintime.co.in/EmailReg/Email_Register.html

We seek your co-operation in the matter.

Thanking you.

Yours faithfully,
For Quess Corp Limited

Sd/-
Kundan K Lal
Company Secretary and Compliance Officer

View / download:

Annexure "1" (Form 15G) [click here](#)
Annexure "2" (Form 15H) [click here](#)
Annexure "3" (Declaration of category of member) [click here](#)
Annexure "4" (TDS declaration format under Rule 37BA) [click here](#)
Annexure "5" (Form 10F) [click here](#)
Annexure "6" (Declaration regarding Tax Residency) [click here](#)
Appendix "A" for Rule 37BA [click here](#)

The above forms are also available on the Company's website: www.quescorp.com

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.

Note: This is a system generated e-mail. Please do not reply to this e-mail.