

This communication is made to the shareholders of Paushak Limited (“the Company”) with regard to deduction of tax on dividend as per relevant provisions of Income Tax Act, 2025.

In accordance with the provisions of the Income Tax Act, 2025 and the Rules framed thereunder, the Company is required to deduct tax at source at the prescribed rates on the dividend paid to its shareholders. The Tax Deducted at Source (“TDS”) rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

This communication provides brief of applicable TDS provisions under the Income Tax Act, 2025 for Resident and Non-Resident shareholder categories.

A. RESIDENT SHAREHOLDERS:

A1. Tax Deductible at Source for Resident Shareholders:

Sr. No. (1)	Particulars (2)	Rate of Deduction of Tax at Source (3)	Documents required (if any) (4)
1	Valid PAN updated in the Company’s Register of Members	10%	No document required (if no exemption is sought).
2	No PAN/ Inoperative PAN due to PAN not linked with Aadhar/Valid PAN not updated in the Company’s Register of Members	20%	No document required (if no exemption is sought).
3	Availability of lower tax deduction certificate issued by Income Tax Department u/s. 395 of Income Tax Act, 2025 (Section 197 of the erstwhile Income Tax Act, 1961).	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority.

Further, no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend to be paid during the financial year 2026-27 does not exceed Rs. 10,000/-.

A2. No Tax Deductible at Source on dividend payment to resident shareholders, if the Shareholders submit and register following documents as mentioned in column no. 4 of the below table with the Company / Registrar & Share Transfer Agent, MUFG Intime India Pvt. Ltd. (“RTA”/“MIPL”) of the Company:

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
1	Submission of Form 121	NIL	<p>Declaration in Form No. 121 (applicable to individual shareholder), provided that all the required eligibility conditions shall be complied. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form, if it does not fulfil the requirement of law.</p> <p>(Please note that Form 121 of the Income Tax Rules, 2026 replaces Form 15G & 15H of the erstwhile Income Tax Rules, 1962)</p>
2	Availability of nil tax deduction certificate issued by Income Tax Department u/s. 395 of Income Tax Act, 2025 (Section 197 of the erstwhile Income Tax Act, 1961).	NIL	Nil tax deduction certificate obtained from Income Tax Authority.
3	Insurance companies such as LIC, GIC, etc.	NIL	Self-declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
4	Mutual Funds	NIL	Self-declaration that it is registered with SEBI and is notified under Schedule VII (Table: Sl. No. 20) of the Income Tax Act, 2025 [Section 10(23D) of the erstwhile Income Tax Act, 1961] along with a copy of PAN card and certificate of registration with SEBI.

5	Alternative Investment Fund (AIF)	NIL	Self-declaration that its income is exempt under Schedule V (Table: Sl. No. 1) of the Income Tax Act, 2025 [Section 10(23FBA) of the erstwhile Income Tax Act, 1961] and they are registered with SEBI as Category I or Category II AIF along with copy of the PAN card and certificate of AIF registration with SEBI.
6	Recognised provident funds / Approved superannuation fund / Approved gratuity fund	NIL	Copy of PAN Card along with necessary documentary evidencing CBDT notification/circular.
7	New Pension System (NPS)	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under schedule VII (41) of the Income Tax Act, 2025 [Section 10(44) of the erstwhile Income Tax Act, 1961] and being regulated by the provisions of the Indian Trusts Act, 1882 along with copy of the PAN card and copy of registration issued by PFRDA
8	Other Non-Individual Resident share holder	NIL	Copy of documentary evidence supporting the exemption along with copy of PAN card.

B. NON-RESIDENT SHAREHOLDERS:

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

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
1	Non-resident shareholders including FPI	20% (plus applicable surcharge and cess) OR Tax Treaty Rate whichever is beneficial	<p>To avail beneficial rate of tax as per applicable tax treaty, following documents would be required:</p> <ol style="list-style-type: none">1. Copy of tax Residency certificate (TRC) issued by revenue authority of country of residence of shareholder for the year in which dividend is received and valid as on date of payment by Company.2. Copy of PAN card allotted by Indian Income Tax authorities. In case, PAN is not available, the Non-resident shareholder shall furnish information as per Rule 217 of Income Tax Rules, 2026 (Rule 37BC of the erstwhile Income Tax Rules, 1962).3. Electronically generated Form 41 (Erstwhile Form 10F) from income tax portal along with acknowledgement of filing online form.4. Self-declaration by shareholder, of meeting treaty eligibility requirement, no permanent establishment/ fixed base requirement and satisfying beneficial ownership requirement.

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
			<p>5. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.</p> <p>6. In case of shareholder being tax resident of Singapore, along with the above (as may be applicable), please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).</p> <p>(Note: Application of Beneficial Tax Treaty Rate as per DTAA for the purpose of withholding taxes shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company).</p>
2	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s. 395 of Income Tax Act, 2025 (Section 195/197 of the erstwhile Income Tax Act, 1961).	Rate specified in certificate	Copy of lower/Nil tax deduction certificate obtained from Income Tax Authority.

The Company shall be using functionality of Income Tax Department to determine the TDS rate in cases of non-linking of Adhaar with PAN.

In terms of Rule 203 of Income Tax Rules, 2026 (Rule 37BA of erstwhile 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 with the Company in the manner prescribed by the Rules.

If the tax on said Dividend is deducted at a higher rate in the absence of receipt of or satisfactory completeness of the afore-mentioned details/documents, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities. No claim shall be entertained against the Company for such tax deducted.

To view / download format of Form 121/Form 41, etc, you are requested to visit on the website of RTA at <https://web.in.mpms.mufg.com/client-downloads.html>.

The aforesaid documents such as Form 121/Form 41, documents u/s. 393, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the RTA's website at following web-link:

<https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html> **on or before 30th June, 2026** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post 30th June, 2026 shall not be considered.**

Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members and other documents available with the Company / RTA.

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.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.