



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

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IMPORTANT COMMUNICATION FOR ATTENTION OF SHAREHOLDERS

Dear Shareholder,

Subject: Intimation / Communication in respect to Deduction of tax at source on Interim Dividend for Financial Year 2023-24.

We are pleased to inform you that IRCTC will be considering the Interim Dividend for financial year 2023-24 in the forthcoming Board meeting scheduled on **Tuesday, November 07, 2023**, to the shareholders on the basis of the details of beneficial ownership furnished by the Depositories, as at the close of business hours on **Friday, November 17, 2023 i.e. record date** for determining entitlement of members to receive interim dividend, if declared for the financial year 2023-24 and in respect of shares held in Physical form (if any) to those Members whose names will appear on the Register of Members of the Company as on the close of business hours on **Friday, November 17, 2023**.

As you may be aware, as per the Income-tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders. The TDS rate would vary depending on the residential status and documents submitted by the shareholder and acceptance of the same by the Company. Accordingly, the Interim Dividend will be paid after deducting TDS as explained here under:

I. FOR RESIDENT SHAREHOLDERS	
Category of shareholders	Exemption applicability/Documentation requirement
Mutual Funds	No TDS is required to be deducted where a self declaration (as per format available on link https://einward.alankit.com/Docs/7-Declaration%20for%20Mutual%20Fund%20Companies.pdf) is provided under the provisions of Section 10(23D) of the Act is provided along with a self-attested copy of a valid SEBI registration certificate.
Insurance Companies	No TDS is required to be deducted where a self declaration (as per format available on link https://einward.alankit.com/Docs/8-Declaration%20for%20Insurance%20Companies.pdf stating that it has full beneficial interest with respect to the Ordinary Shares owned by it is provided along with self-attested

	copy of valid IRDAI registration certificate.
Category I and II Alternative Investment Fund	No TDS is required to be deducted where a self declaration (as per format available on link https://einward.alankit.com/Docs/6-Declaration%20for%20Alternate%20Investment%20Fund%20Companies.pdf) stating that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations is provided along with self-attested copy of valid SEBI registration certificate needs to be submitted.
Any other entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted.
Other resident shareholder	A. TDS is required to be deducted at the rate of 10% under Section 194 of the Act.
	B. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholders does not exceed INR 5,000/-.
	C. No TDS is required to be deducted on furnishing of valid Form 15G (as per format available on link https://einward.alankit.com/Docs/1-annexure-1-form-15G.docx) (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (as per format available on link https://einward.alankit.com/Docs/2-annexure-2-form-15H.docx) (for individual above the age of 60 years with no tax liability on total income).
	D. TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the shareholder is not available.
	E. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.

- The Finance Act, 2021, has *inter alia* inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':
 - i. At twice the rate specified in the relevant provision of the Act; **or**
 - ii. At twice the rates or rates in force; **or**
 - iii. At the rate of 5%

The 'specified person' means a person who has:

- a. not filed return 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**

- b. subjected to tax deduction/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.

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

- In case of resident individuals, as deadline for linking PAN with Aadhar has been expired, Income Tax department had made these PANs inoperative. In such cases, TDS will be deducted at higher rates as per the provisions of Income tax.
- The Company will be relying on the information verified by the utility available on the Income Tax website.

II. FOR NON-RESIDENT SHAREHOLDERS	
Category of shareholders	Exemption applicability/Documentation requirement
FPIs and FIIs	TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 196D of the Act.
Any entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted.
Other non-resident shareholder	<p>A. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961, as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.</p> <p>B. Further, as per Section 90 of the Act the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty as read with relevant clauses of Multilateral instrument (if any) between India and the country of tax residence of the shareholder, if they are more beneficial to them. To avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:</p> <ol style="list-style-type: none"> 1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities; 2. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident for the period April 2023 to March 2024; 3. Self-declaration in Form 10F (as per format given on link https://einward.alankit.com/Docs/FORM%2010F.docx); and 4. Self-declaration in the attached format (as per format given

	<p>on linkhttps://einward.alankit.com/Docs/5-No%20pe%20declaration%20other%20than%20foreign%20company.docx) certifying that the non-resident shareholder does not have Permanent Establishment in India in accordance with the applicable Tax Treaty and has Beneficial ownership of the shares (for the period April 2023 to March 2024)</p>
	<p>C. TDS is required to be deducted at the rate prescribed in a valid lower tax withholding certificate issued under Section 195/197 of the Act, if such certificate is provided.</p>
	<p>D. The Company is not obligated to apply the beneficial DTAA rates as read with relevant clauses of Multilateral instrument (if any) 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.</p>

Attention:

1. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being uploaded by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
2. In case, the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the book closure date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
3. Above communication on TDS sets out the provisions of law in a summarized manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
4. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
5. 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 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.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, shareholders would still have an option of claiming refund of the excess tax deducted at the time of filing their income tax return by consulting their tax advisors. 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://incometax.gov.in>.

Moreover, all Shareholders are requested to ensure that the above details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); with the Company, on or before **Friday, November 17, 2023**.

Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to make timely credit of dividend in their bank accounts.

No communication on the tax determination / deduction shall be entertained after Friday, November 17, 2023.

Shareholders are requested to upload the scanned copies of the documents mentioned above at the portal <https://einward.alankit.com/> against their folios.

We seek your cooperation in the matter.

Thanking you,

Yours faithfully,

For and on behalf of Indian Railway Catering & Tourism Corporation Limited

(Suman Kalra)

Company Secretary and Compliance Officer