

(भारत सरकार का उद्यम) पंजीकत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मंबई - 400 021. फोन: 91-22 2202 6666, 2277 2000 • वेबसाइट: www.shipindia.com

The Shipping Corporation Of India Ltd. (A GOVERNMENT OF INDIA ENTERPRISE) Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000 · Website: www.shipindia.com



सीआईएन/CIN-L63030MH1950G0l008033

### **Taxability and Other Dividend Related Information**

As per the Income Tax Act, 1961 ("Act"), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct tax at source at the applicable rates at the time of making the payment of the said Final Dividend, if declared at the AGM.

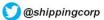
The Finance Act, 2021 has inserted a special provision for deduction of tax at source for nonfilers of income-tax return u/s 206AB under the Income-tax Act, 1961 ("IT Act"). This section will be effective from 1st July, 2021.

According to the relevant provisions of section 206AB of the IT Act, in case the Company is paying any sum to any persons, the Company will be liable to deduct TDS at higher rate under IT Act, from such payment where -

- (1) The \*specified person\* has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted (i.e. if ITR is not filed by the persons for FY 20-21), for which the time limit for furnishing the return of income under section 139(1) has expired and
- (2) The aggregate of TDS deducted and TCS collected in the said previous year is INR 50,000/- or more.

The TDS rate may vary depending on the residential status of the Shareholder and the documents submitted by the Shareholders and accepted by the Company in accordance with the provisions of the Act.

The TDS for various categories of Shareholders along with required documents are summarized below:







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### **Table 1: Resident Shareholders**

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Particulars & Category	Rate of Tax	Exemption documents to be given
of shareholders	Deduction	
Resident Individuals		
	- 10% in case	
If total Dividend income to	where PAN is	Update the PAN if not already done with
a resident individual	provided/availabl	depositaries (in case of shares held in demat
shareholder in	е	mode) and with the Company's Registrar and
FY 2022-23 > Rs. 5,000	- 20%, in other	Transfer Agents – Bigshare Services Pvt Ltd
	cases where	("RTA") (in case of shares held in physical
	Section 206AA or	mode).
	206AB becomes	
	applicable	
Shareholders providing		Form 15G/15H duly signed – The forms can be
duly signed Form 15G		downloaded from the website of the RTA at
(applicable to any person		https://www.bigshareonline.com/Resources.aspx
other than a Company or		
a Firm) /15H (applicable to		
an Individual above the	NIL	
age of 60 years) provided		
that all the prescribed		
eligibility conditions are		
met.		
If total Dividend income to		-
a resident individual	NIL	
shareholder in		
FY 2022-23 < Rs. 5,000		







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Particulars & Category	Rate of Tax	Exemption documents to be given
of shareholders	Deduction	
	Resident - Othe	r than Individuals
Indian Commercial	10%	-
Banks/Indian Financial	- 20%, in other	
Institutions	cases where	
	Section 206AA or	
	206AB becomes	
	applicable	
Insurance Companies: LIC		A declaration that it has a full beneficial interest
& Other Insurance		with respect to the shares owned by it along with
Companies such as		PAN.
GIC/United India		
Insurance Co/Oriental	NIL	
Insurance Co/New India		
Assurance Co as provided		
under Second Proviso to		
section 194 of IT Act		
Govt of India, Corporation		Self-declaration specifying the specific Central
established by or under a		Act under which such corporation is established
Central Act which is,		and that their income is exempt under the
under any law for the time	NIL	provisions of Income Tax Act, 1961 along with a
being in force, exempt		self-attested copy of the PAN card and
from income- tax on its		registration certificate.
income (Section 196)		







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Particulars & Category	Rate of Tax	Exemption documents to be given
of shareholders	Deduction	
Mutual Funds	NIL	Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.
	10% - 20%, in other cases where Section 206AA or 206AB becomes applicable	In case of mutual funds not covered under section 10 (23D) of the Income Tax Act, 1961
Alternative Investment Fund	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 a self- attested copy of the PAN card and registration certificate.
	10% - 20%, in other cases where Section 206AA or 206AB becomes applicable	In case AIF other than those registered with SEBI as per Section 115UB of the Act.







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Particulars & Category	Rate of Tax	Exemption documents to be given
of shareholders	Deduction	
Order under section 197	Rate provided in	Lower/NIL withholding tax certificate obtained
of the Act	the order	from Income Tax authorities.
Other resident	20% as per Sec	-
shareholder without	206AA	
PAN/Invalid PAN	or Rate as per	
	Sec 206AB	
	whichever is	
	higher	

Please Note that:

a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act. If the provisions of section 206AA is applicable to a specified person, in addition to the provision of Sec 206AB, then tax shall be deducted at higher of the two rates provided in section 206AA and 206AB.

b) 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

### Table 2: Non-resident Shareholders

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the said provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Income Tax Act, 1961, a non-resident payee 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.





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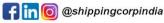
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to avail the DTAA benefits, the non-resident shareholder will have to provide documents provided in the table:

Category of	Tax Deduction	Exemption applicability/ Documentation
shareholder	Rate	requirement
Any non-resident	20% (plus	Non-resident shareholders may opt for tax rate
shareholder (This	applicable	under Double Taxation Avoidance Agreement
includes Foreign	surcharge and	("Tax Treaty") as per Section 90 of the Income
Companies, Bodies	cess) or Tax	tax Act, 1961. The Tax Treaty rate shall be
Corporate, NRI,	Treaty rate	applied for tax deduction at source on
Foreign Nationals	whichever is	submission of following documents to the RTA;
and other foreign	lower	•Copy of the PAN Card, if any, allotted by the
entities)		Indian authorities.
		•Self-attested copy of Tax Residency Certificate
		(TRC) valid as on the AGM date obtained from
		the tax authorities of the country of which the
		shareholder is resident.
		•Form 10F can be downloaded from the website
		of the RTA
		athttps://www.bigshareonline.com/Resources.aspx
		TDS shall be recovered at 20% (plus applicable
		surcharge and cess) if any of the above
		mentioned documents are not provided.
		However, the Company in its sole discretion
		reserves the right to apply the beneficial DTAA
		rates at the time of tax deduction/withholding on
		dividend amounts and to call for any further
		information. Application of DTAA rate shall







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		depend upon the completeness of the
		documents submitted by the Non- Resident
		shareholder and review to the satisfaction of the
		Company.
Foreign Institutional	20% (plus	None (Treaty benefit not available to
Investors, Foreign	applicable	FII/FPI).TDS rate shall not be reduced on
Portfolio Investors	surcharge and	account of the application of the Lower DTAA
(FII, FPI)	cess)	rate or lower tax deduction order, if any
Submitting Order	Rate provided in	Lower/NIL withholding tax certificate obtained
under section 197 of	the Order	from Income Tax authorities.
the Act		

Note: The 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.

### PROCEDURE FOR SUBMISSION OF DOCUMENTS:

Form 15G/15H/10F can be downloaded from the website of our RTA, Bigshare Services Private Limited at <u>https://www.bigshareonline.com/Resources.aspx</u>. The above-mentioned documents (duly completed and signed) are required to be sent to <u>company's RTA at their email ID at tds@bigshareonline.com</u>

Please note that the duly completed and signed documents should be sent to the RTA before the record date for dividend i.e in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication/ documents on the tax determination / deduction shall be considered post record date for dividend.

Further, Shareholders who have not registered their email address are requested to register the same with the Depositories in case the shares are held in Demat and with our RTA if the shares

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are held in physical form. Shareholders are further requested to update their Bank Accounts with the Depositories in case the shares are held in Demat and with our RTA if the shares are held in physical form. Shareholder holding shares in physical form can update their email ids/ bank/ Details online at company's RTA website at https://www.bigshareonline.com/InvestorRegistration.aspx

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

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