

**BSE Limited  
Phiroze Jeejeebhoy Towers  
1<sup>st</sup> Floor, Dalal Street  
Fort, Mumbai 400 023**

**May 13, 2024**

**Sir/Madam,**

**Sub: Communication to Shareholders – Intimation w.r.t Tax deduction on Dividend**

The Finance Act 2020 w.e.f. April 1, 2020 has abolished dividend distribution tax (DDT). Dividend income is now taxable in the hands of the Shareholders, subject to threshold limits/slabs.

In this regard, please find enclosed e-mail communication which was sent to all the Shareholders of the Company, whose email IDs have been registered with the Company/RTA/Depositories dated May 13, 2024, detailing rates of tax withholdings from dividend.

Request to kindly take note of the same and acknowledge receipt.

**Thanking you,  
Yours faithfully,  
For ADOR FONTECH LIMITED**

**Geetha D  
Company Secretary**

**ADOR FONTECH LIMITED**

Regd. and Head Office: Belview, 7 Haudin Road, Bangalore 560 042, Karnataka - India.

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CIN: L31909KA1974PLC020010

# ADOR FONTECH LIMITED

CIN: L31909KA1974PLC020010

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Email: [investorservice@adorfon.com](mailto:investorservice@adorfon.com), Website: [www.adorfon.com](http://www.adorfon.com)

Dear Shareholder,

Folio/DPID & Client ID :  
Name of the Shareholder:

We are pleased to inform you that the Board of Directors at their Meeting held on April 29, 2024 has declared Interim Dividend of Rs. 6/- per Equity Share being 300% on the nominal value of Rs.2 per equity share for the Year 2024. Shareholders holding shares on Record date i.e., May 17, 2024 would be entitled to Interim Dividend.

Pursuant to the changes introduced in 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 time of making the payment of the said Interim Dividend.

The rate at which the dividend may be subject to withholding tax would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Interim Dividend will be paid after deducting tax at source as follows:

## Resident Shareholders

It may be noted that tax would not be deducted at source on payment of dividend to resident Individual Shareholder, if total dividend amount to be paid in a financial year does not exceed Rs. 5,000.

Further, Tax to be deducted at source (wherever applicable), would be as under:

Particulars	Applicable Rate	Documents required (if any)
Shareholders having PAN	10%	Update the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).
	NIL	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 all the required eligibility conditions are met and a self-attested copy of PAN is furnished.
Shareholders not having/furnished PAN/ Invalid PAN	20%	-
Shareholders submitting the Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority along with self-attested copy of PAN.

Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	NIL	Declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN.
Shareholders, being Alternative Investment Funds (AIFs)	NIL	A declaration that the AIFs are registered under SEBI as per SEBI Regulations, self-attested copy of PAN and SEBI registration certificate.
Shareholders covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	NIL	Certificate of registration u/s 10(23D) issued by the appropriate authority, self-attested copy of PAN, documentary evidence that the person is covered under said Section 196 of the Act.

Resident individual Shareholders are requested to ensure that Aadhar Number is linked with PAN, failing which, PAN shall be considered as inoperative/invalid and hence, tax at 20% shall be deducted in such cases.

#### **TDS to be deducted at higher rate in case of non-filers of Return of Income:**

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 said section require the Company 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 Income Tax Act; or
- ii. At twice the rate(s) in force; or
- iii. At the rate of 5%.

The 'specified person' means a person who has:

- a) not filed return of income for the FY 2021-22 and 2022-23; and
- b) subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in each of these two previous years.

Government guidelines with respect to the provisions of Section 206AB will be followed by your Company. Tax deducted in accordance with said guidelines will be final and your Company shall not refund/adjust said amount subsequently. Your Company might also seek necessary declarations from you to comply with the provisions of this section. The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

#### **Non - Resident Shareholders**

As per Section 90 of the Income Tax Act, non-resident shareholder has the option of being governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the Shareholder, if they are more beneficial to them. Please refer to the below table for details of documents to avail Tax Treaty benefits.

Particulars	Applicable Rate	Documents required (if any)
Shareholders, being Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	<p>20% (plus applicable surcharge and cess) as per Section 196D of Income Tax Act, 1961</p> <p style="text-align: center;"><b>OR</b></p> <p>Tax Treaty Rate (whichever is lower)</p>	<p>a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.</p> <p>b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 2024-25.</p> <p>c) Form 10 F filed electronically with income tax authorities.</p> <p>d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty.</p> <p>e) Self-declaration of Beneficial ownership by the non-resident shareholder.</p>
Other Non-resident shareholders	<p>20% (plus applicable surcharge and cess)</p> <p style="text-align: center;"><b>OR</b></p> <p>Tax Treaty Rate (whichever is lower)</p>	<p>a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.</p> <p>b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident, valid for FY 2024-25.</p> <p>c) Form 10 F filed electronically with income tax authorities.</p> <p>d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty.</p> <p>e) Self-declaration of Beneficial ownership by the non-resident shareholder.</p>
Shareholders submitting the Order under Section 197 of the Income Tax Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

In case, PAN is not available, the non-resident shareholder (other than a company) shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

Soft copies of following documents may be downloaded from the link <https://www.integratedregistry.in/TaxExemptionRegistration.aspx>:

- (1) Form 15G.
- (2) Form 15H.
- (3) Form 10F.
- (4) Declaration from residents.
- (5) Declaration from non-residents.
- (6) Declaration under Rule 37BC from non-residents (other than companies) not having PAN.

Duly filled and signed aforesaid documents, as applicable, should be mailed to [investorservice@adorfon.com](mailto:investorservice@adorfon.com) or uploaded on the weblink of RTA i.e., <https://www.integratedregistry.in/TaxExemptionRegistration.aspx> on or before May 17 2024, 11.59 PM (IST), to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

No communication on the tax determination/deduction received post May 17, 2024, shall be considered for payment of Dividend.

While deducting the withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs on or before May 17, 2024.

If the tax on said Dividend is deducted at a higher rate due to non-receipt of or satisfactory completeness of the afore-mentioned details/documents by May 17, 2024, the shareholder may claim an appropriate refund in the return of income filed with their respective tax authorities.

This communication sets out the provisions of law only in a summary manner from withholding tax perspective. For detailed understanding of the law, shareholders are advised to consult their tax advisors.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to send a copy of the TDS certificate to shareholders in due course, post payment of the said Dividend. Shareholders will also be able to view electronic credit of TDS in Form 26AS, which can be downloaded from the website of Income Tax Department.

For shareholders having multiple accounts under different status/ category:

Shareholders holding Ordinary 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.

### **Beneficial Interest:**

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, on or before February 16, 2024, file declaration with Company in manner prescribed by Rules.

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.

**Updation of bank account details:**

Shareholders are requested to ensure that their bank account details in their respective demat accounts/folios are updated, to enable the Company to make timely credit of dividend to their bank accounts. We seek your cooperation in this regard.

Thanking you,

Yours faithfully,

**For ADOR FONTECH LIMITED**

**Sd/-**

**Geetha D**

**Company Secretary & Compliance Officer**