



**CEAT LIMITED**  
RPG House  
463, Dr. Annie Besant Road,  
Worli, Mumbai - 400030, India  
☎ 91 22 24930621  
✉ customercare@ceat.com  
@ www.ceat.com  
CIN: L25100MH1958PLC011041

April 23, 2024

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Security Code: 500878**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400 051

**Symbol: CEATLTD**

**NCD Symbol: CL25, CL26**

**CP Listed ISIN** INE482A14CD5, INE482A14CE3,  
INE482A14CF0, INE482A14CG8, INE482A14CH6

**Sub: Email Communication to shareholders regarding dividend taxation provisions**

Dear Sir/Madam,

Pursuant to provisions of the Income Tax Act, 1961, as amended by the Finance Act 2020, dividends paid or distributed by a company on or after April 1, 2020, shall be taxable in the hands of the shareholders.

In view thereof, please find enclosed herewith an email communication sent to the shareholders having their email ID registered with the Company/Depositories, elaborating the process to be followed in respect of the applicability of tax deduction and formalities to be complied by the shareholders to ensure appropriate deduction of tax on the dividend, if declared and payable during the financial year 2024-25.

The same is being made available on the website of the Company at [www.ceat.com](http://www.ceat.com). You are requested to kindly take note of the same and disseminate appropriately.

Thanking you,

Yours faithfully,

For **CEAT Limited**

**Vallari Gupte**

**Company Secretary and Compliance Officer**

Encl: As above



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Dear Shareholder,

In terms of the provisions of the Income-tax Act, 1961, ("Act"), dividend paid or distributed by a Company on or after 1st April, 2020 is taxable in the hands of shareholders. The Company will therefore deduct tax at source at the time of payment of dividend, at rates based on the category of shareholders and subject to fulfilment of conditions as provided here in below:

Also, we would like to inform you that "Registrar and Transfer Agent (RTA) for Ceat Limited has been changed. NSDL Database Management Limited is now acting as RTA w.e.f. 1st April 2024.

### **FOR RESIDENT SHAREHOLDERS :**

Tax will be deducted at source ("TDS") under Section 194 of the Act, @10% on the amount of dividend payable holding valid PAN (other than specified person), unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate (by clubbing PAN) of total dividend distributed to them by the Company during the financial year does not exceed Rs.5,000/- (Rupees Five Thousand only). In case of person is not holding PAN and linked with Aadhaar (as applicable), TDS at rate of 20% shall apply and in case of person who has not filed tax return of preceding year also TDS rate of 20% shall be applied.

Tax at source will also not be deducted in cases where a shareholder provides Form No.15H (applicable to individual above the age of 60 years)/Form No.15G (applicable to other individuals) provided that the eligibility conditions are met. Blank Form No. 15G and Form No. 15H can be downloaded from RTA website [https://rta.ndml.in/CoreRTAReports/Tax\\_form.zip](https://rta.ndml.in/CoreRTAReports/Tax_form.zip) Please note that all fields mentioned in the forms are mandatory and the Company may reject the forms submitted, if not filled correctly & duly signed by the shareholders.

NIL/lower tax will be deducted on dividend payable to the following categories of resident shareholders, on submission of self-declarations:

- i.** Insurance companies: Self Declaration (refer format) that it has full beneficial interest with respect to shares owned by it along with self-attested copy of registration certificate and PAN card;
- ii.** Mutual Funds: Self Declaration (refer format) by the mutual fund eligible for exemption u/s 10(23D) of the Act along with self-attested copies of the registration documents and PAN card;
- iii.** Alternative Investment Fund ("AIF") established in India: Declaration (refer format) that the shareholder is eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self-attested registration documents and PAN card should also be provided;
- iv.** New Pension System Trust: Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;

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- v. Other shareholders: Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;
- vi. Finance company, Finance Unit and broker dealer located in International Financial Services Cent 'IFSC' : Declaration (refer attached form 1 in Annexure 6) alongwith self-attested registration certificate and PAN card.
- vii. Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower/nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration (refer format).

**FOR NON-RESIDENT SHAREHOLDERS (including Foreign Institutional Investors and Foreign Portfolio Investors):**

Tax is required to be withheld in terms of the provisions of Sections 195 and 196D of the Act, at applicable rates in force. As per the relevant provisions of the Act, tax shall be withheld @20% (plus applicable surcharge and cess) on the amount of dividend payable. However, in terms of Section 90 of the Act, non-resident shareholders have the 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 the DTAA provisions are more beneficial. To avail the tax treaty benefits, non-resident shareholder(s) will have to provide the following:

- i. Self-attested copy of PAN card, if allotment by the Indian income tax authorities;
- ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of residence of the shareholder;
- iii. Self-declaration in E-Form No.10F (duly uploaded on income tax portal), if all the details required in this form are not mentioned in the TRC;
- iv. Self-declaration (refer format) by the non-resident shareholder of meeting the treaty eligibility requirements and satisfying beneficial ownership requirement (Non-resident having PE in India need to comply with the provisions of section 206AB of the Act);
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.

The formats and declarations can be downloaded from the RTA website viz. [https://rta.ndml.in/CoreRTAReports/Tax\\_form.zip](https://rta.ndml.in/CoreRTAReports/Tax_form.zip) Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting the requirements of the Act, read with the applicable tax treaty. It must be ensured that self-declaration should be addressed to CEAT Limited and must be in same format as attached. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of deducting tax on dividend.



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## **SECTION 206AB OF THE ACT**

Rate of TDS u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from 1 July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as "specified persons"). U/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the 'specified persons':

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%

In cases where both, Sections 206AA (higher rate of TDS at 20% in no PAN cases) and 206AB (non-filer of tax returns) are applicable to a shareholder, tax will be deducted at higher of the two rates prescribed in these sections. The non-resident who does not have the permanent establishment is excluded from the scope of a 'specified person'.

Further, as per section 139AA of the Act resident shareholders are requested to ensure Aadhaar number is linked with PAN as per timelines prescribed. In case of failure to link Aadhaar with PAN, it would be considered as inoperative/invalid and tax shall be deducted at rate of 20% as per provisions of section 206AA of the Act.

The Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act (as per the Central Board of Direct Taxes Circular No.11 of 2021 dated 21st June 2021).

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

- i.** NIL for resident shareholders (individuals) receiving dividend upto Rs. 5,000 or in case duly filled up and signed Form No. 15G/Form No. 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- ii.** 10% for other resident shareholders in case copy of PAN card is provided/ available.
- iii.** 20% for resident shareholders if copy of PAN card is not provided/not available or are specified person as per the compliance check to be done on the cut-off dated mentioned by Secretarial Team
- iv.** Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- v.** 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted
- vi.** Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above-mentioned rates will be subject to availability of Section 206AB of the Act.



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In terms of Rule 37BA of the 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 (refer format) with the Company in the manner prescribed in the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or due to defect in any of the aforementioned details/documents, you will be able to claim refund of the excess tax deducted by filing your income tax return.

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

#### **UPDATION OF PAN, EMAIL ADDRESS AND OTHER DETAILS:**

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email address, mobile number and other details with their relevant depositories through their depository participants. Shareholders holding shares to physical mode are requested to furnish details to the Company's Registrar and Transfer Agent, viz. NSDL Database Management Ltd. (NDML). The Company is obligated to deduct tax at source based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited ("the Depositories") in case of shares held in electronic mode and from the RTA in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Kindly note that the aforementioned documents should be emailed [tax.ndmlrta@nsdl.com](mailto:tax.ndmlrta@nsdl.com) No communication on the tax determination/deduction shall be entertained after 30.06.2024

#### **UPDATE OF BANK ACCOUNT DETAILS:**

While on the subject we request you to submit/update your bank account details with your Depository Participant, 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 covering letter duly signed by you, along with a cancelled Cheque leaf with your name and bank account details and a copy of your PAN card along with KYC forms, duly self-attested with Company's Registrar and Transfer Agent, viz. NSDL Database Management Ltd. (NDML). 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 pass-book statement, duly self-attested.

In compliance with the SEBI mandate as per email dated 17.01.2024, shareholders holding physical securities are required to update their KYC details, including bank information, to facilitate electronic payments of dividends, interest, or redemptions. This directive is in line with SEBI's efforts to enhance the efficiency and security of transactions, as outlined in their circulars dated November 03,2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023).

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Shareholders are urged to submit their updated KYC forms to the Registrar and Transfer Agent (RTA), NSDL Database Management Ltd., to ensure uninterrupted processing of their electronic payments from April 1, 2024.

Investors can download the following forms & SEBI Circulars, which are also uploaded on the website of the company and on the website of NSDL Database Management Limited;

[https://rta.ndml.in/CoreRTAReports/KYC\\_Froms.zip](https://rta.ndml.in/CoreRTAReports/KYC_Froms.zip)

For any further queries, you are requested to contact our Registrars and Share Transfer Agent: NSDL Database Management Ltd. Tel: 022-49142578/2636 and Email: [investor.ndmlrta@nsdl.com](mailto:investor.ndmlrta@nsdl.com)

We seek your co-operation

Thanking you,

Yours faithfully,

For CEAT Limited

Sd/-

Vallari Gupte  
Company Secretary