



RSWM LIMITED

CIN: L17115RJ1960PLC008216

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Distt. Bhilwara Rajasthan

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Phone: +91-120-4390300 (EPABX), Fax: +91-120-4277841

E-mail: rswm.investor@lnjbihlwara.com, **Website:** www.rswm.in

Date: July 21, 2023

Dear Shareholder,

DPID-CLID/Folio No.: _____

Subject: Intimation/Communication in respect of Tax Deduction at Source (TDS) on Dividend for Financial Year 2022-23.

We are pleased to inform you that the Board of Directors of RSWM Limited (“the Company”) at its meeting held on **26th May, 2023** has recommended a dividend of 50% i.e. Rs. 5/- per equity share of the face value of Rs. 10/- (Rupee Ten) each fully paid up for the financial year 2022-23, subject to the approval of members of the Company at the ensuing Annual General Meeting ("AGM") of the Company. The dividend will be paid to members within thirty days from the date of declaration in the ensuing AGM.

As you may be aware, as per the Income-Tax Act, 1961 (hereinafter referred as IT Act), as amended by the Finance Act, 2020, dividends paid or distributed by the 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 Dividend, if declared at the above AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the Dividend will be paid after deducting TDS as explained herein below.

TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDERS.

The members are advised to update their PAN if not already done:

- **If shares are held in demat mode:** with the Depository Participant
- **If shares are held in physical mode:** with the Registrar & Transfer Agent (RTA) of the Company. The holders of physical shares are also requested to complete their KYC, PAN and Nomination details including Option to ‘Opt-out’ as per communication sent by the company to all such shareholders on 19th May, 2023 (also available on the website of the company under the following path: <https://rswm.in/wp-content/uploads/2023/05/Reminder-for-Updation-of-PANKYC-Nomination-Etc.-Dated-19-05-2023.pdf>)

I. FOR RESIDENT SHAREHOLDERS:

Category of shareholders	Exemption applicability/Documentation requirement
Mutual Funds	Nil TDS. Subject to providing the documentary evidence that the person is covered under Section 196 of the IT Act. (Annexure – 1)
Insurance Companies	Nil TDS. Subject to providing the documentary evidence that the provisions of the IT Act are not applicable. (Annexure – 1)
Category I and II Alternative Investment Fund	Nil TDS. Subject to providing the documentary evidence that the persons are covered by Notification No. 51/2015 dated 25 th June, 2015. (Annexure – 1)

Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.	Nil TDS. Subject to providing the documentary evidence that the person is covered under Section 196 of the IT Act. (Annexure - 1)
Order under Section 197 of the Income Tax (IT) Act	TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under Section 197 of the Act, subject to providing the copy of valid certificate.
Other resident shareholder	<p>a. TDS is required to be deducted at the rate in force (at present 10%) under Section 194 of the Act.</p> <p>b. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to an individual shareholder does not exceed Rs. 5,000/-.</p> <p>c. No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individuals above the age of 60 years with no tax liability on the total income). (Form 15G and 15H are annexed as Annexure -2 & 3)</p> <p>d. TDS is required to be deducted at the rate in force (at present 20% plus applicable surcharge and cess, if any) u/s 206AA, if valid PAN of the shareholder is not available or u/s 206AB, if the shareholder is specified person.</p>

II. FOR NON - RESIDENT SHAREHOLDERS:

Category of shareholders	Exemption Applicability/Documentation requirement
Any non-resident shareholder, including Foreign Institutional Investors (FIIs), and Foreign Portfolio Investors (FPIs)	<p>1. TDS is required to be deducted at the rate of 20% or the rates in force as per the Finance Act (plus applicable surcharge and cess) under Section 195 of the Act.</p> <p>2. The non-resident shareholder has the option to be governed by the provisions of the <i>Double Tax Avoidance Treaty</i> read with Multilateral instrument (MLI) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:</p> <ul style="list-style-type: none"> a) Self-attested copy of the PAN allotted by the Indian Income Tax authorities; b) Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident with having validity as on the date of Annual General Meeting of the company; c) In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI Registration Certificate. d) Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the CBDT, as required under the IT tax Act. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only) Sample copy of Form 10F from Income-tax portal. (Annexure-4) e) Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit

	(Annexure 5). TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided.
Submitting Order under Section 197 of the IT Act	Lower/NIL withholding tax certificate obtained from Income Tax authorities, subject to providing the copy of valid certificate
Sovereign Wealth Funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act	NIL TDS. Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. Self-Declaration that the conditions specified in section 10(23FE) have been complied with.
Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess) Self-attested Copy of PAN card (if available) Self-declaration (Annexure-6) along with adequate documentary evidence substantiating the nature of the entity.
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act	30%

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable. 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. In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at higher rate as applicable, without any further communication in this regard.
2. Above communication on TDS sets out the provisions of law in a summary 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.
3. We shall arrange to email the soft copy of the TDS certificate at your registered email ID in due course, post payment of the dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in/iec/foservices/#/login>.
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. 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.
6. 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, the shareholder will be responsible to indemnify the Company and also provide the Company with all information / documents and co-operation in any tax proceedings.
7. The Company is not obligated to apply the beneficial tax rate as specified in the respective Tax Treaty at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and its satisfactory review by the Company in accordance with the provisions of the IT Act.
8. Individual resident shareholders are requested to kindly link their AADHAR with PAN on the Income-Tax portal if not already done.
9. 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 being the beneficiary shareholder other than the deductee, then deductee should file declaration with Company in manner prescribed. Format attached as (**Annexure-7**). In case, the joint shareholders wishes to get the credit of TDS on their name separately please provide declaration under Rule 37BA of Income Tax Rules 1962. (**Annexure-7**).
10. Rate of TDS @ 10% under Section 194 of the Act is subject to provisions of Section 206AB of the Act which provides that tax is to be deducted at higher of the following rates in case of payments to the specified persons who has not filed their returns of income for one year immediately preceding the year

in which tax is required to be deducted and the aggregate of tax deducted at source and collected at source is ₹ 50,000/- or more in respective year:

- 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%.

Members may be requested to please submit the above required documents (duly completed, signed and scanned as per your category through email at tds.rswm23@lnjbihilwara.com by quoting your Name, Folio number/Demat Account No. (DP and Client ID both), Number of shares and PAN details **on or before 14th August, 2023** in order to enable the Company to determine and deduct appropriate TDS/ withholding tax. No communication on the tax determination/deduction shall be entertained in respect of the dividend declared after the above time limit. To ensure that your TDS determination is done appropriately, request you to please submit all required documents and declarations at tds.rswm23@lnjbihilwara.com only and documents (if any) sent to any other mode will not be considered. Members may download the abovementioned desired forms and documents from the website of the Company at www.rswm.in.

Link for Annexures as mentioned above are given below:

1. [Annexure - 1 - Declaration for Resident Shareholder](#)
2. [Annexure - 2 - Form 15G](#)
3. [Annexure - 3 - Form 15H](#)
4. [Annexure - 4 - Form 10F](#)
5. [Annexure - 5 - Declaration by non resident shareholder](#)
6. [Annexure - 6 - Declaration for AIF](#)
7. [Annexure - 7 - 37BA](#)

Please note that the documents sent by any body corporate (companies/firms/foreign institutional investors etc.) should be on their letterhead. Members may note that in case the tax on the said dividend is deducted at a higher rate in the absence of receipt or insufficiency of the aforementioned details/documents from you till close of business hours on **14th August, 2023**, an option will available to you to file the return of income as per the Act and claim an appropriate refund, if eligible.

UPDATION OF BANK ACCOUNT DETAILS:

In order to enable the Company to make timely credit of dividend in your respective bank accounts, 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 may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card with the RTA/Company. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

Please note the following **contact details of our RTA** to enable you to submit your PAN/KYC/Nomination/Bank details etc.

Registrar & Share Transfer Agent:

M/s. MCS Share Transfer Agent Limited,

Unit: RSWM LIMITED

F-65, Okhla Industrial Area, Phase I, New Delhi – 110 020

Phone No. (s): 011-41406149-52, Fax No: 011-41709881

Email: helpdeskdelhi@mcsregistrars.com

If you are holding shares in Demat form you are requested to get your KYC details updated with your Depository Participant. Your co-operation in this regard is solicited.

Please note that the Company in its sole discretion reserves the right to call for any further information and/or to apply domestic law/DTAA for TDS.

We seek your cooperation in this regard.



Thanking you,

Yours faithfully,

For RSWM LIMITED

Sd/-

SURENDER GUPTA

VICE PRESIDENT- LEGAL & COMPANY SECRETARY

Disclaimer: This communication is not to be treated as advice from the Company or its affiliates or RTA i.e. M/s. MCS Share Transfer Agent Limited. Members should obtain tax advice related to their tax matters from a tax professional.

The information contained in this e-mail message and/or attachments to it may contain confidential or privileged information. If you are not the intended recipient, any dissemination, use, review, distribution, printing or copying of the information contained in this e-mail message and/or attachments to it are strictly prohibited.

Please note that this communication is applicable only if you are an eligible member to receive dividend.

Note: Please do not reply to this email, as this email id is not monitored.