

**ASTER DM HEALTHCARE LIMITED**

CIN: L85110KA2008PLC147259

Registered office: Awfis, 2nd Floor, Renaissance Centra, 27 & 27/1, Mission Road,  
Sampangiramnagar, Bangalore – 560027

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**Aster DM Healthcare Limited – Communication to shareholders w.r.t Deduction of tax at source on Final Dividend for Financial Year (FY) 2023-24**

Dear Members(s),

We are pleased to inform you that the Board of Directors at its meeting held on May 28, 2024, has declared a Final dividend of Rs. 2 /- per share for the financial year 2023-24 subject to the approval in the ensuing Annual General Meeting to be held on Thursday, August 29, 2024. The Board has fixed August 22, 2024, as the record date for determining entitlement of members to receive final dividend for the year 2023-24.

Further, in terms of the applicable provisions of the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, any dividend paid or distributed by a Company is taxable in the hands of the members. The Company shall therefore be required to deduct tax at source at the time of making the payment of the final dividend.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident members.

**1. Resident Members**

**For resident members,** tax shall be deducted at source under Section 194 of the Act as follows:

<b>TDS rate</b>	<b>Exemption applicability/ Documents required</b>
<b>Shareholders having valid Permanent Account Number ('PAN')</b>	
10% or as notified by the Government	Where the total amount of dividend to be paid during the Financial year ('FY') is in excess of INR 5,000
<b>Shareholders having invalid PAN/ PAN not linked with Aadhar Number</b>	
20% or as notified by the Government	It may be noted that as per the provisions of section 206AA of the Act, tax shall be deducted at the rate of 20% in case defective/ invalid/ inoperative PAN is submitted by the member.
<b>Exemption from TDS</b>	
0% individuals	The Shareholder submits Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided

TDS rate	Exemption applicability/ Documents required
	<p>that all the required eligibility conditions are met. Blank Form 15G and 15H has been enclosed as <b><i>Annexure I</i></b> and <b><i>II</i></b> to this communication.</p> <p>KINDLY NOTE THAT ONLY THOSE 15G / 15H FORMS SHALL BE CONSIDERED WHICH ARE FOUND COMPLETE IN ALL RESPECTS AND NO FURTHER OPPORTUNITY FOR RESUBMISSION OF THE FORM(S) WILL BE PROVIDED. DECLARATIONS SHARED AT THE TIME OF SPECIAL DIVIDEND SHALL NOT BE CONSIDERED FOR THE CURRENT ISSUE OF FINAL DIVIDEND</p>
<p>0%</p> <p>Non-individuals (on submission of the requisite documents as mentioned)</p>	<ul style="list-style-type: none"> <li>✓ <b>Insurance companies:</b> A declaration that they are beneficial owners of shares held, along with self-attested copy of relevant registration documents and PAN.</li> <li>✓ <b>Mutual Funds:</b> A declaration that they are governed by the provisions of section 10(23D) of the Act along with self-attested copy of relevant registration documents.</li> <li>✓ <b>Alternative Investment Fund (AIF) established in India:</b> A declaration that their 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 along with self-attested copy of relevant registration documents and PAN.</li> <li>✓ <b>Provident Fund, Superannuation Fund, Gratuity Fund, Pension Fund and ESI Fund</b> whose income is exempt under section 10 of the Act and on which TDS is not required to be deducted, are required to provide self-attested valid documentary evidence (like approval granted by Income Tax Officer / Commissioner, relevant copy of registration, etc.)</li> <li>✓ The declaration to be submitted by the above shareholders have been enclosed as <b><i>Annexure IV</i></b>.</li> </ul>
<b>Order under section 197 of the Act</b>	
Rate as prescribed in the order	<ul style="list-style-type: none"> <li>✓ Lower/NIL withholding tax certificate obtained from Income Tax authorities.</li> </ul>

## 2. Non-resident Members

TDS rate	Exemption applicability/ Documents required
<b>Withholding tax under section 195 of the Act</b>	
20% or withholding rate as per the applicable DTAA	For non-resident members, tax is required to be withheld in accordance with the provisions of section 195 and other applicable sections of the Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

TDS rate	Exemption applicability/ Documents required
	<p>However, as per section 90 of the Act, non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them.</p> <p>For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident members will have to provide the following:</p> <ol style="list-style-type: none"> <li>Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details<sup>1</sup> as prescribed under rule 37BC of Income Tax Rules, 1962.</li> <li>Copy of Tax Residency Certificate for financial year 2024-25 obtained from the revenue authorities of the country of tax residence, duly attested by the member.</li> <li>Self-declaration in Form 10F and should be e-filed.</li> <li>Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty (format enclosed <b>Annexure III</b> to this Communication).</li> <li>Self-declaration of beneficial ownership by the non-resident member (format enclosed as <b>Annexure III</b> to this Communication).</li> <li>In case of shareholder being tax resident of a foreign country or specified territory where the Double Taxation Avoidance Agreement (<b>DTAA</b>) between India and that foreign country or specified territory, as the case may be, prescribes additional conditions (for example Article 24 of the India-Singapore Tax Treaty) for the shareholder to avail any beneficial tax treatment, please furnish relevant evidences demonstrating eligibility to avail such beneficial tax treatment (for example letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA). It is recommended that shareholder should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by the relevant DTAA.</li> <li>Any other documents including legal opinions obtained from the tax consultant confirming lower withholding rate is applicable, duly attested by the member.</li> </ol>
<b>Foreign institutional investors/ Foreign portfolio investors</b>	
20%	In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the Act @ 20% (plus

<sup>1</sup> a. Name, email id, contact number

b. Address in the country outside India

c. Tax residency certificate of the country of residence

d. Tax identification number in the country of residence.

TDS rate	Exemption applicability/ Documents required
	applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.
<b>Order under section 195(3)/ 197 of the IT Act</b>	
Rate as prescribed in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

### 3. Applicability of higher rate on Specified Person\* as per Section 206AB in case of Resident Members and Non-Resident Members who have Permanent establishment in India for TDS under section 194 of the Act:

The rate of TDS under section 206AB of the Act shall be higher of the following:

- i. twice the rate specified in the relevant provision of the Act
- ii. twice the rate or rates in force; or
- iii. the rate of five per cent.

\* **Specified Person** means a person who has not filed 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, for which the time limit for furnishing the return of income under section 139(1) has expired and aggregate of tax deducted and collected at source is Rs. 50,000/- or more.

- In this regard, the company shall assess the 'Specified Person' based on the functionality provided by the Income Tax Department for compliance check under section 206AB.

If any Resident or Non- Resident member is falling in the category of 'Specified Person' as per the above functionality by Income Tax Department, the company shall be obliged to deduct tax at higher rate as per section 206AB of the Act (plus applicable surcharge and cess).

**NO COMMUNICATION/DOCUMENTS IN RESPECT OF TDS WOULD BE ACCEPTED FROM MEMBERS AFTER August 27, 2024.**

### 4. Declaration by Recipient Shareholder for transfer of TDS credit to the beneficial shareholder under Rule 37BA (2) of the Income Tax Rules, 1962

In case dividend income is assessable in the hands of person other than member then declaration needs to be provided by member for the same as per Rule 37BA of the Income Tax Rules, 1962. Member needs to confirm the (a) Residential status, (b) validity of PAN & (c) whether specified person (for purpose of section 206AB) in respect of the beneficial shareholders as a part of the declaration. The declaration has been enclosed as **Annexure V** to this communication.

Declaration may be submitted before the filing of TDS return by the company. Members may note that TDS credit will be applied only in a scenario where the beneficial shareholders in respect of cases where TDS rate applicable for the beneficial shareholder is in line with TDS rate considered for deduction in respect of the member. Further, the company would independently carry out relevant verification and would transfer TDS credit only in case the aforementioned conditions are satisfied. As there is ample time available between deduction of tax and filing of TDS returns, members are requested to ensure submission of declarations prior to Tuesday, August 27, 2024.

## **5. Other General Information to members:**

- i. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend paid to members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident members.
- ii. Application of TDS rate is subject to necessary due diligence and verification of the members details as available in register of Members on the Record Date and aforesaid prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will deduct tax at the maximum applicable rate.
- iii. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible.
- iv. 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 Member, such Member will be responsible to indemnify the Company against all claims, demands, penalties, losses etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.
- v. 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. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

**Updation of your personal details including PAN, bank account, email id, mobile number, you are requested to contact:**

- **in case of shareholding in electronic form - with your Depository Participant.**
- **in case of shareholding in physical form - with the RTA viz. Link intime India Pvt Ltd.**

### **Updation of E-Mail ID:**

As per the guidelines issued by Ministry of Corporate Affairs and SEBI, communications to the shareholders, is necessarily to be sent via email. Hence shareholders who have not yet registered their email address with the Company or in their Demat accounts, are requested to update the same using the following link;

[https://liiplweb.linkintime.co.in/EmailReg/Email\\_Register.html](https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html)

### **Updation of Bank Account**

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 scanned copy of 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 duly self-attested. 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.

The Forms as mentioned in Table 1 & 2 can be accessed and downloaded from the website of the Company at the web-link <https://www.asterdmhealthcare.in/investors/shareholders-services/information-on-dividend-tax>

Kindly note that the documents/annexures as mentioned in the Table 1 and 2 above are required to be submitted to the Company/ Registrar at email ID [dividend@asterdmhealthcare.com](mailto:dividend@asterdmhealthcare.com)

[/coimbatore@linkintime.co.in](mailto:/coimbatore@linkintime.co.in) or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

**We seek your co-operation in the matter.**

Your sincerely,

**For Aster DM Healthcare Limited.**

**Hemish Purushottam**

Company Secretary and Compliance Officer