



## Cera Sanitaryware Limited

Regd. Office : 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat.  
Website: [www.cera-india.com](http://www.cera-india.com) | Phone : (02764) 243000, 242329  
E-mail: [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com) | CIN: L26910GJ1998PLC034400

Date: 15<sup>th</sup> June, 2023

### Subject: Cera Sanitaryware Limited - Tax Deduction at Source (TDS) on Dividend pay-out for Financial Year 2022-23

Dear Shareholder,

We are pleased to inform you that the Board of Directors of Cera Sanitaryware Ltd (the "Company") at its meeting held on 10<sup>th</sup> May, 2023, has recommended a Dividend of Rs. 50/- (1000%) per fully paid-up equity share of Rs. 5/- each for the Financial Year 2022-23, subject to the approval of the Shareholders' of the Company at the ensuing 25<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Thursday, 6<sup>th</sup> July, 2023 and the same will be paid to members within thirty days of declaration. Dividend, will be paid to the Shareholders' holding equity shares of the Company, either in electronic or in physical form, after determining eligibility of Shareholder entitled for payment of dividend, which will be based on the book closure dates announced by the Company i.e. from 21<sup>st</sup> June, 2023 to 28<sup>th</sup> June, 2023 ( both days inclusive).

Further, in accordance with the provisions of the Income-tax Act, 1961 ("IT Act"), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from 1<sup>st</sup> April, 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at the applicable rates. However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received during the financial year does not exceed INR 5,000/-

The rate of TDS will vary depending on the residential status of shareholder, category of the shareholder and is subject to the specified declarations / documents furnished by the shareholder to the Company. Same is explained in detail as under:

#### **A. RESIDENT SHAREHOLDERS:**

#### **A1. Tax Deductible at Source for Individual Shareholders (if Dividend exceeds Rs. 5,000/-) & Non-Individual Shareholders**

Sr. No.	Particulars	Rate of TDS	Declaration / Documents required to be furnished. (if any)
1	If Valid <b>PAN is updated</b> with: - Depository Participant when shares are in DEMAT Mode, - RTA / Company when shares are in physical mode.	10%	No document required (if no exemption is sought)
2	If Valid <b>PAN is not updated</b> with: - Depository Participant when shares are in DEMAT Mode, - RTA / Company when shares are in physical mode.	20%	No document required (if no exemption is sought)
3	If Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961.	Rate as specified in the certificate.	- Copy of PAN Card - Copy of Lower / Nil tax deduction certificate obtained from Income Tax Authority

**A2. No Tax Deductible at Source for Resident Shareholders, if furnish documents / declarations as mentioned below:**

<b>Sr. No.</b>	<b>Category</b>	<b>Rate of TDS</b>	<b>Declaration / Documents required to be furnished. (if any)</b>
1	Submission of Form 15G/Form 15H- Individual Shareholder	NIL	- Declaration in Form No. 15G ( applicable to an Individual, who is below 60 years)/ Declaration in Form No. 15H( applicable to an Individual, who is 60 years or above), fulfilling prescribed conditions along with Copy of PAN Card
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply to Insurance Companies ; Public and other Insurance Companies such as LIC, GIC, etc.	NIL	- Copy of PAN Card - Self Declaration as per Annexure – I - Documentary evidence that such provisions are not applicable.
3	Shareholders covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, Corporations established by Central Act & Mutual Funds specified u/s 10 (23D) of the Income-tax Act, 1961.	NIL	- Copy of PAN Card - Self Declaration as per Annexure – I - Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund (AIF)	NIL	- Copy of PAN Card - Self Declaration as per Annexure – I - SEBI Registration Certificate
5	- Recognised Provident Funds - Approved Superannuation Fund - Approved Gratuity Fund - Other Funds / Authorities / Board / Bodies covered as per the circular issued by the Central Board of Direct Taxes (the CBDT)	NIL	- Copy of PAN Card - Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension System Trust referred to in Section 10(44) of the Income Tax Act,1961	NIL	- Copy of PAN Card - Necessary documentary evidence for coverage u/s. 197A(1E)

**B. NON-RESIDENT SHAREHOLDERS:**

**Tax Deductible at Source for Non-Resident Shareholders, if furnish documents / declarations as mentioned below:**

<b>Sr. No.</b>	<b>Category</b>	<b>Rate of TDS</b>	<b>Declaration / Documents required to be furnished. (if any)</b>
1	Foreign Institutional Investors (FIIs) Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	- Copy of Registration Certificate

2	Non-resident member who is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of The IT Act or whose country of residence is not notified	30% or at the rate specified in the relevant provision of the Income-tax Act, 1961 or at the rates in force, whichever is higher, from the dividend payable to such member in accordance with Section 94A of the Income Tax Act, 1961	
3	Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate whichever is beneficial.	<p>To avail beneficial rate of tax as per applicable tax treaty, following documents would be required:</p> <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received.</li> <li>2. Copy of PAN card.</li> <li>3. Form 10F duly filled in &amp; signed. ( To be obtained through e-filing portal of Income Tax website duly verified in manner as prescribed in CBDT notification dated 12<sup>th</sup> December, 2022)</li> <li>4. Self-declaration for non-existence of permanent establishment/ fixed base in India</li> <li>5. Self-declaration by shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, General Anti Avoidance Rule (GAAR), Simplified Limitation of Benefit test (Wherever applicable), as regards eligibility to claim recourse to concerned tax treaty</li> </ol> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)</p>

4	Indian Branch of a Foreign Bank	Nil	- Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority. - Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
5	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate.	- Lower/Nil tax deduction certificate obtained from Income Tax Authority

## NOTES:

1. Followings are links to download the documents referred in the above tables.

Sr. No.	Documents / Forms	Link / Documents
1	Form 15G, Form 15H, Form 10F and form for Self declaration	<a href="#">Annexure 1</a>
2	Resident Tax Declaration	<a href="#">Annexure 2</a>
3	Letter Foreign Company has no Permanent Establishment in India	<a href="#">Annexure 3</a>

2. The scan copy of aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, relevant declarations, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate, copy of PAN card etc. can be emailed to [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com) before 26/06/2023 to enable the Company to determine the appropriate withholding tax rate applicable. Total file/attachment size of email should be less than 5mb. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. In case of joint shareholder all the above documents are to be signed by all joint shareholders. Any communication in relation to tax rate determination/deduction received post 26/06/2023 shall not be considered.
3. The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with the Company / RTA post payment of the dividend. Shareholders will be able to download the TDS details from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS)
4. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members and other documents available with the Company / RTA.
5. The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the Income Tax Act ("the Act") with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor 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 Act; or
  - ii. At twice the rates or rates in force; or
  - iii. At the rate of 5.00%.

The '**specified person**' means a person who has:

- a. not filed return of income for one assessment year relevant to the immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- b. subjected to tax deduction / collection at source in aggregate amounting to Rs. 50,000 or more in each of such two immediate previous years.

The non-resident Shareholder who does not have the permanent establishment is excluded from the scope of a specified person.

Non-Resident Members, who are identified as a 'Specified Person' under Section 206AB of the Act, are requested to submit a self-declaration for not having Permanent Establishment in India (Refer Annexure-2) as per the tax law, so that higher rate of tax deduction at source (at the rate of 40% plus applicable cess and surcharge) would not be applicable.

Accordingly, for deduction of TDS at the rate of 10%, the members have to ensure that their Income Tax Returns (ITR) for the Fin. Year 2021-22 has been filed. In this regard, the members are informed that in terms of Circular No. 11 of 2021 issued by Ministry of Finance, a functionality "**Compliance Check for section 206AB and 206CCA**" ("**functionality**") has been introduced for deductors to verify the status of ITRs from PAN of deductee. Therefore, the Company will be verifying the status of ITRs of its members through this functionality and will be deducting TDS accordingly.

6. Shareholders' are requested to ensure Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%. TDS to be deducted at higher rate in case of non-filers of Return of Income.
7. In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.
8. 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.
9. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
10. **UPDATION OF PAN, EMAIL & BANK DETAILS:**

Shareholders are requested to register / update their PAN, EMAIL & BANK DETAILS:

- A. with their Depository Participant(s) with whom they maintain their demat accounts, if shares are held in dematerialized form.
- B. if shares are held in physical mode by submitting 1). Covering Letter mentioning shareholder's name, folio number, bank details (Bank account number, Bank and Branch name, folio number, IFSC, MICR details), EMAIL ID and documents enclosed. 2). Copy of PAN Card & Aadhaar Card. (Self-Attested) 3). Copy of Original Share Certificate/s. 4). Bank Passbook Copy / Bank Account Statement/ Cancelled Cheque Leaf through email at [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com) or [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)

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. Any queries in this regard should be addressed to us / our RTA at their email address: [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com) or [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)

We request your cooperation and wish for your health and wellbeing.

For **Cera Sanitaryware Limited**

Hemal Sadiwala  
Company Secretary