

RUSHIL DECOR LIMITED

Corporate Identification No. (CIN) - L25209GJ1993PLC019532

Regd. Office: S. No.125, Near Kalyanpura Patia, Gandhinagar Mansa Road, Kalol, Vilage, Itala, Gandhinagar - 382845

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E-mail: ipo@rushil.comWebsite: www.rushil.com**Dear Shareholder,****Subject: Deduction of tax at source on dividend**

We hope that you and your family are safe and in good health!!

We are pleased to inform you that the Board of Directors at their Meeting held on May 04, 2023, have recommended a Final Dividend of ₹ 0.50/- per Equity Share of ₹ 10/- each (5%) for the Financial Year ended March 31, 2023 subject to shareholders' approval at the ensuing Annual General Meeting (AGM) to be held on Monday, September 25, 2023.

As you are aware, the Income Tax Act, 1961 ('the IT Act'), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. As such, the Company shall therefore be required to deduct tax at source (if applicable) at the time of making the payment of the Final Dividend, if declared at the aforesaid AGM.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the IT Act for Resident and Non-Resident shareholder categories.

Table 1: Resident Shareholders:

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
Any resident shareholder	10% with Valid PAN OR 20% without PAN or Invalid PAN	<ul style="list-style-type: none">No TDS in the following cases<ul style="list-style-type: none">If dividend payable or likely to be paid to a resident individual shareholder during financial year 2023-24 does not exceed INR 5,000/-.If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.For shareholders who are considered as "Specified Persons" (refer footnote (a) to table 1) under section 206AB of IT Act, higher tax rate shall apply. For the purpose of TDS rate, the Company will verify the status (Specified Person or not) from the functionality of the Income-tax department and will deduct TDS accordingly.For shareholders who have not linked PAN and Aadhaar, the PAN will be considered as invalid and higher rate of taxes shall apply (Applicable if dividend is declared, distributed or paid on or after 1 July 2023, subject to any further relaxation as may be provided by the CBDT).
Submitting Form 15G/ Form 15H	NIL	Eligible shareholder providing Form 15G (applicable to an Individual below the age of 60 years) (Annexure 1) / Form 15H

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
		(applicable to an Individual aged 60 years and above) (Annexure 2) - on fulfilment of prescribed conditions.
Order under section 197 of the IT Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax department.
Insurance Companies (Public/ Other) OR Mutual Funds specified under section 10(23D) OR Alternative Investment Fund (covered by Notification No. 51/2015 dated 25 June'15) OR Business Trust OR Recognized Provident funds/ Approved Superannuation fund/Approved Gratuity Fund OR New Pension System Trust	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, along with documentary evidence such as self-attested copy of PAN card and registration certificate. (Annexure 3) TDS shall be deducted at applicable rates, if any of the abovementioned documents are not provided.
Corporation established by or under a Central Act, which is exempt from income-tax	NIL	Self-declaration along with documentary evidence that the person is covered under section 196 of the IT Act. (Annexure 3)

Footnote to Table 1 –

- a) 'Specified person' means a person who has:
- not furnished 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 sub-section (1) of section 139 has expired; and
 - the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.
- b) In case where shares held by intermediaries/ stock brokers and TDS is to be deducted in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration (**Annexure 6**). This declaration should be shared within 2 days from the record date. No declaration shall be accepted after 2 days from the record date.

Table 2: Non-resident Shareholders

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
Any non-resident shareholder [including Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI)]	20% (plus applicable surcharge and cess) or DTAA rate, whichever is lower	Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("DTAA") if the DTAA rate is more beneficial to the shareholder. The DTAA rate shall be applied for TDS on submission of following documents to the company: <ul style="list-style-type: none"> Self-attested copy of the PAN Card, if any, allotted by the Indian authorities. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date for the FY 2023-24 or the calendar year 2023 obtained from the tax authorities of the country, of which the shareholder is resident.

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
		<ul style="list-style-type: none"> • <u>Form 10F where Non-Resident Shareholders do not hold PAN in India:</u> <ul style="list-style-type: none"> - Self-declaration in Form 10F (Annexure 4). • <u>Form 10F where Non-Resident Shareholders holds PAN in India:</u> <ul style="list-style-type: none"> - 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 Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished). • Self-declaration confirming not having a Permanent Establishment in India, eligibility to DTAA benefit and do not / will not have place of effective management in India. (Annexure 5). <p>TDS shall be deducted at 20% (plus applicable surcharge and cess), if any, of the above-mentioned documents are not provided. The rate of surcharge shall be determined considering the dividend paid in the FY 2023-24.</p> <p>The Company is not obligated to apply the DTAA rates at the time of deduction/ withholding on dividend amounts. Application of DTAA rate shall depend upon the completeness of the documents (as required under the provisions of the IT Act) submitted by the non-resident shareholder.</p> <p>For shareholder who are considered as “Specified Persons” (refer footnote (a) to Table 1) under section 206AB of IT Act, higher tax rate as applicable will be applied. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled online facility and deduct TDS accordingly. It may be noted that as per provision of section 206AB of IT Act, non-resident who does not have a permanent establishment in India will not be considered as specified person.</p>
Submitting Order under section 195(3) /197 of the IT Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Updation of PAN, email address and other details:

Shareholders holding shares in dematerialisation mode, are advised 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 in physical mode are advised to furnish details with the Company's Registrar and Transfer Agents (RTA) – Link Intime India Private Limited.

The company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

Tax rate on multiple folios / accounts:

Shareholders holding shares under multiple folios/ dematerialisation accounts under different status / category under a 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.

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 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://rushil.com/investor_relationship.php#a497

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 investor@bigshareonline.com **on or before September 8, 2023** in order to enable the Company to determine and deduct appropriate TDS/ withholding tax. No communication/ documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of September 8, 2023.

It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India

<https://www.incometax.gov.in/iec/foportal>

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.

We request your co-operation in this regard.

Sincerely,

Hasmukh Modi

Company Secretary

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional