



CreditAccess Grameen Limited

CIN: L51216KA1991PLC053425

Regd. Office: New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalyana Mantapa) Bengaluru, Karnataka -560070

Date: July 10, 2024

Ref: Folio / DP Id & Client Id No: xxxxxxxxxxxx

Name of the Shareholder(s): xxxxxxxxxxxxxxxx

Dear Member(s),

We are pleased to inform you that the Board of Directors of CreditAccess Grameen Limited ("the Company"), in its meeting held on May 07, 2024, has recommended a one-time final dividend of ₹10/- (Rupees Ten only) per equity share of the face value of ₹10/- each (100%) for the Financial Year 2023-24, subject to approval of the members of the Company at the 33rd Annual General Meeting ("AGM") scheduled to be held on Monday, August 12, 2024.

The dividend, as recommended by the Board of Directors and if declared at the 33rd Annual General Meeting, will be paid to those members holding equity shares of the Company, as on the record date i.e., Friday, July 26, 2024. The final dividend would be paid to the eligible members within a period of 30 days from the date of declaration of dividend, i.e., on or before September 11, 2024, through various online modes or any other permissible modes of payment to those members who have updated their bank account details with their Depository Participants ("DPs").

In case of non-availability of the bank details of any Member, the Company shall pay the final dividend to such Members through any permissible mode.

Members holding shares in physical form are requested to take note that SEBI vide circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that the security holders, holding securities in physical form, whose folio(s) does not have PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only upon their furnishing of all the aforesaid details in its entirety to Registrar and Transfer Agent and payment shall be made only through electronic mode with effect from April 01, 2024.

In terms of the provisions of Income tax Act, 1961 ("Act"), as amended, w.e.f. April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its members and accordingly Company is required to Deduct Tax at Source ("TDS") at the time of payment of dividend. The deduction of tax at source will be based on the category of members and subject to fulfilment of conditions as provided herein below:

Table 1: Resident Members

For Financial Year 2024-25 taxes shall be deducted at source under Section 194 of the IT Act as follows:

Section	Category of Members	Applicable Tax rate	Exemption applicability/ Documentation requirements
194	Members having valid PAN	10% or as notified by the Government of India	Update valid PAN if not already done with respective depositories
206AA and 206AB	Members not having PAN / invalid PAN; and Members who is Specified Person as per Section 206AB of the Income-tax Act (Refer Point B of this communication)	20%	Update valid PAN if not already done with respective depositories

However, no tax shall be deducted on the dividend payable to a Resident Member (Individual), if the total dividend to be received by them during Financial Year 2024-25 (interim, final or by any other name called) does not exceed ₹5,000. Where the PAN is either not registered or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or @ 20%.

Table 2: The following Resident Members will be eligible for NIL/lower rate of TDS upon providing the documents mentioned hereunder to the satisfaction of the Company

Section	Category of Members	Applicable TDS rate	Documentation requirement
194	Insurance Companies	NIL	<ul style="list-style-type: none"> A self-declaration that they are covered by the second proviso to Section 194 of the

			<p>Income-tax Act, 1961 and has full beneficial interest with respect to the shares owned by it;</p> <ul style="list-style-type: none"> • Self-attested copy of IRDAI registration certificate; and • Self-attested copy of PAN card.
196	Mutual Funds specified under Section 10(23D)	NIL	<ul style="list-style-type: none"> • A self-declaration that they are governed by the provisions of Section 10(23D) of the Income-tax Act, 1961; • Self-attested copy of SEBI registration certificate; and • Self-attested copy of PAN card.
196	Government, Reserve Bank of India (RBI), Specified Corporations established by or under Central Act whose income is exempt from tax	NIL	<ul style="list-style-type: none"> • A self-declaration that they are governed by the provisions of Section 196 of the Income-tax Act, 1961 read with circular issued thereunder. • Self-attested copy of relevant registry documents • Self-attested copy of PAN card.
197(1 F)	Alternative Investment Funds (AIF)	NIL	<ul style="list-style-type: none"> • A self-declaration that the income of the AIF is exempt under Section 10(23FBA) of the Income-tax Act, 1961

			<p>and that they are governed as Category I or Category II AIF under the SEBI regulations;</p> <ul style="list-style-type: none"> • Self-attested copy of SEBI registration documents; and • Self-attested copy of PAN card.
197	All resident shareholders holding Lower Deduction Certificate or Nil Deduction Certificate	Rate specified in the lower deduction certificate issued by Income tax Authorities	<ul style="list-style-type: none"> • Self-attested copy of certificate under section 197 of the Act • Please note the TAN of the Corporation to be mentioned in the lower deduction certificate as BLRG15389D • Self-attested copies of PAN card.
197A (1) and 197A(1A)	Resident individuals submitting Form 15G/ 15H	NIL	<ul style="list-style-type: none"> • Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. • Self-attested copy of PAN card.

Note: Application of NIL rate at the time of tax deduction / withholding on the dividend is subject to completeness and satisfactory review by the Company/RTA, of the documents submitted by such Member.

Table 3: Non-Resident Members:

Section	Category of Members	Applicable TDS rate	Documentation requirement
195 and 196D	Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% plus applicable surcharge and cess or as notified by the Government of India	<ul style="list-style-type: none"> Rate to be increased by applicable surcharge & cess. They are entitled to avail beneficial tax rate, if any under Double Taxation Avoidance Agreements if documents referred in below are duly submitted.
197	All Non-resident shareholders holding Lower Deduction Certificate	Rate specified in the lower deduction certificate issued by Income tax Authorities	<ul style="list-style-type: none"> Self-attested copy of certificate under section 197 of the Act Please note the TAN of the Corporation to be mentioned in the lower deduction certificate as BLRG15389D Self-attested copies of PAN card
206AB	Non-resident shareholders having Permanent Establishment (PE) in India and who is a specified person as per section 206AB (Refer Point B of this communication)	Twice the applicable rate would be applied	<ul style="list-style-type: none"> Self-attested copies of PAN card

A. Availing Benefits of DTAA by Non-Resident Members:

Pursuant to Section 90 of the Act, the non-resident member has 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 member, if

they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the non-resident member will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN) if allotted, by the Indian Income Tax Authorities.
- Self-attested copy of Tax Residency Certificate (TRC) (of FY 2024-25 or calendar year 2024), valid as on the AGM date obtained from the tax authorities of the country of which the Member is resident;
- Electronically Filed Form 10F on Income Tax Portal as per Notification No. 03/2022 dated July 16, 2022 issued by the Income Tax Department
- Self-declaration in the format enclosed, certifying that -
 - i. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - ii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iii. Member is the ultimate beneficial owner of the share(s) held in the Company as well as the dividend arising from such shareholding; and the member has the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person;
 - iv. Member declares that it does not have and will not have any taxable presence, fixed base or permanent establishment in India as per the said tax treaty during the financial year 2024-25; and
 - v. Member hereby confirms that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

B. Specified Person as per Section 206AA and 206AB of Income tax Act, 1961:

'Specified Person' means a person who has:

- not filed the income tax return for the previous year immediately prior to the financial year in which tax is required to be deducted, for which

the time limit for filing the return of income under Section 139(1) of the Act has expired; and

- the aggregate of tax deducted at source ('TDS') and tax collected at source ('TCS') is INR 50,000 or more in that previous year.

A Non-resident who does not have the permanent establishment in India is excluded from the scope of a Specified person.

For specified persons who have not submitted their Permanent Account Number ('PAN') as well as not filed their return of income; tax shall be deducted at the higher of the two rates prescribed under Sections 206AA and 206AB of the Act.

C. Transferring credit to the beneficial owner:

As per Rule 37BA, in cases where the dividend is received in the hands of one person but is assessable in the hands of other person, the tax may be deducted in the name of such other person if the first-mentioned person provides a declaration as prescribed in this regard. The aforesaid declaration shall contain (i) name, address, PAN, and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. We request you to provide any such details latest by 5:00 p.m. (IST) on Friday, July 26, 2024.

D. General instruction for Members:

- Members 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.
- In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request Resident members and Non-Resident members to upload the details and documents referred to in this communication in the format provided by us and as applicable to you at <https://ris.kfintech.com/form15/>. No communication on the tax determination / deduction shall be entertained beyond 5:00 (IST) p.m. on Friday, July 26, 2024.
- Further as per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act. The Company will be relying

on the information verified by the utility available on the Income Tax website.

- To receive dividend amount directly in bank account, we request you to update your bank account details and Permanent Account Number (PAN) with Depository Participant.
- Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.

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

In the event of any demand for income tax (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide Company all information/documents and co-operation in any relevant proceedings.

F. Submission of tax related documents:

Please CLICK on the following links to download/view the forms:

Download/View - Form 15G	Click here
Download/View - Form 15H	Click here
Download/View - Declaration for No Permanent Establishment (PE) in India for Corporates	Click here
Download/View - Declaration for No Permanent Establishment (PE) in India for Non-Corporates	Click here

We seek your co-operation in the matter.

Thanking you,

Yours sincerely,

For **CreditAccess Grameen Limited**

Sd/-

M. J. Mahadev Prakash

Company Secretary & Chief Compliance Officer

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

This is a system generated Email. Please do not reply to this Email.
