

**FAQ's - TDS on Interim Dividend declared on March 25, 2024**

S.no.	Group of shareholders	Queries	Response
1	Any shareholder	Deduction of TDS would be for FY 2023-24 or FY 2024-25 ?	As per the Companies Act 2013, the liability of the company's crystalizes upon declaration of interim dividend by the board of directors in the board meeting. Additionally, Ashok Leyland has also earmarked necessary funds in a separate bank account as mandated by the Companies Act 2013. Further, given that the liability has already crystalized, Ashok Leyland is liable to deduct taxes as per section 194 of the Income-tax Act, 1961. Since the board meeting was held on 25.03.2024, Ashok Leyland shall deduct taxes for the FY 2023-24 and corresponding credit would be given in FY 2023-24.
2	Any shareholder	Can dividend income be offered to tax as a part of income of FY 2024-25 ?	As a shareholder, based on the method of accounting you / your company follows, you may choose to offer the income either in FY 2023-24 or FY 2024-25 by making appropriate disclosures in your income tax return for FY 2023-24 or FY 2024-25.
3	Any resident individual shareholder who has received a dividend exceeding INR 5,000 cumulatively during FY 2023-24	Why are taxes withheld on the dividend though it was not deducted in the previous cycle ?	Since the total dividend paid to you by Ashok Leyland Limited cumulatively during the FY 2023-24 exceeds INR 5000, taxes are withheld at the rate of 10% under section 194 of the Income-tax Act, 1961. The same was not the case in July 2023 as the amount of dividend declared to you in FY 2023-24 up to July 2023 did not exceed INR 5,000.
4	Any resident shareholder	Why is taxes deducted at the rate of 20% instead of 10% on the dividend so declared ?	The TDS on the dividend so declared to you or your company is deducted at a higher rate owing to following reasons (as the case may be): <ul style="list-style-type: none"> <li>- Designated as Specified Person in the Income Tax Reporting Portal for non filing of Return of Income by you / your company for previous two FYs preceding the FY in which such dividend is declared and the amount of TDS / TCS in totality for the subject FY exceeds INR 50,000 or</li> <li>- PAN and Aadhar is not linked or</li> <li>- Invalid PAN</li> </ul>

S.no.	Group of shareholders	Queries	Response
5	Any shareholder	Why is taxes deducted at higher rate this time whereas the same was deducted at 10% last time ?	You / your company were not a specified person as per section 206AB / 206CCA of the Act earlier. However, you / your company have / has now become a specified person. Therefore, TDS is deducted at a higher rate as applicable for current payout.
6	Any shareholder	Why is taxes deducted at 10% this time whereas the same was deducted at a higher rate last time ?	You / your company were / was a specified person as per section 206AB / 206CCA of the Act while payment of dividend in July 2023. However, you / your company are / is no more a specified person now. Therefore, Taxes have been deducted at 10%.
7	Non-resident shareholder	Why is taxes deducted at the rate of 20% plus surcharge and cess instead of the rate prescribed in tax treaty ?	The documents submitted by you or your company is incomplete / is not in accordance with the provisions of the Income-tax Act, 1961 to claim the beneficial provisions of the tax treaty  or  No information was provided by you / your company to claim the beneficial provisions of the tax treaty.( eg: Form 10F, TRC, NO PE declaration etc). Accordingly, rates prescribed under the respective tax treaties are not considered.
8	Any resident individual shareholder who has received a dividend exceeding INR 5,000 cumulatively during FY 2023-24	Why the amount of tax withheld exceeds 10% of the dividend paid ?	After declaration of interim dividend, the total dividend declared to you by Ashok Leyland Limited during the FY 2023-24 is exceeding INR 5,000 accordingly, taxes would be required to withheld under section 194 of Income-tax Act, 1961 at the rate of 10% on the total dividend declared during the FY 2023-24 including the dividend paid out in July 2023. Any shortfall in TDS amount has been recovered from the interim dividend.
9	Any resident individual shareholder who has received a dividend exceeding INR 5,000 cumulatively during FY 2023-24	Why haven't I received the interim dividend though I am holding shares of Ashok Leyland and received dividend in previous cycle ?	Since the total dividend on the shares held by you by Ashok Leyland Limited for FY 2023-24 exceeds INR 5,000, withholding of tax shall be applicable under section 194 of Income-tax Act, 1961, at the rate of 10% on the total dividend declared to you during FY 2023-24. However, the quantum of TDS liability on the total dividend declared during the FY 2023-24 is more than the interim dividend so declared. Therefore, the entire dividend has been netted-off with TDS liability. Therefore, no dividend is paid.

S.no.	Group of shareholders	Queries	Response
10	- Non-resident shareholders - Non-resident Promoters	Whether self-declaration for claiming the benefits of tax treaties is required to be submitted again as the same was provided during July 2023?	Please note that the declaration submitted during the month of July 2023 reports your / your Company's shareholding in Ashok Leyland as of July 2023. Therefore, a fresh declaration needs to be furnished updating your shareholding as on current date if there is a change.
11	Shareholders / GDR holders / promoters having beneficial owners for the shares / GDR held by them	Why is declaration under Rule 37BA of Income-tax Act, 1961 required again as the same was provided during July 2023?	Please note that the declaration submitted during the month of July 2023 reports your / your Company's shareholding in Ashok Leyland as of July 2023. Therefore, a fresh declaration needs to be furnished updating your shareholding as on current date if there is a change.
12	- Non-resident GDR holders - Non-resident Promoters holding GDRs	Why is declaration for leveraging the benefits of tax treaties required again as the same has been provided already during July 2023?	Please note that the declaration submitted during the month of July 2023 reports your / your company's holding of GDR as in July 2023. Therefore, a fresh declaration needs to be furnished updating your GDR holding as on current date as required for the purpose of declaration of interim dividend.
13	- Non-resident shareholders - Non-resident GDR holders - Non-resident Promoters	The tax residency certificate ('TRC') has been already submitted during July 2023, why the same is required to be submitted again ?	The TRC shared by you / your company during July 2023 covers the period up to a specified date mentioned. Accordingly, latest TRC is required which covers the entire period of FY 2023-24 (i.e. April 2023 to March 2024)
14	- Non-resident shareholders - Non-resident GDR holders - Non-resident Promoters	Physical Form 10F has been filed already for the FY 2023-24, why is it required again ?	The Form 10F shared by you / your company earlier is filed in physical form, however, as per the current law, Form 10F is required to be filed electronically in the Income-tax portal to claim the benefits provided in the tax treaties.
15	Resident shareholder (whose age does not exceeds 60 years)	Is Form 15G required to be updated ?	Please note that the Form 15G submitted by you during the month of July 2023 reports your shareholding as on July 2023 considering the dividend income received till such date. Therefore, the same needs to be updated with your shareholding in Ashok Leyland as on current date and the current dividend amount as required for the purpose of declaration of interim dividend.

S.no.	Group of shareholders	Queries	Response
16	Resident shareholder (whose age is 60 years or more)	Is Form 15H required to be updated ?	Please note that the Form 15H submitted by you during the month of July 2023 reports your shareholding as on July 2023 considering the dividend income received till such date. Therefore, the same needs to be updated with your shareholding in Ashok Leyland as on current date and the current dividend amount as required for the purpose of declaration of interim dividend.
17	Resident shareholder	Why is tax deducted on the dividend declared though am eligible for benefit under Form 15G / Form 15H ?	<p>The documents submitted by you were not accepted on account of either of the following reasons:</p> <ul style="list-style-type: none"> <li>- Form 15G / Form 15H not submitted within the prescribed timeline</li> <li>- Ineligible to submit Form 15G / Form 15H</li> <li>- Appropriate disclosures were not made in Form 15G/ Form 15H</li> </ul>