

Taxation of Dividend Distribution

Dividends declared in FY 2024-25

Calculation of TDS:

TDS would be deducted on the dividend payable to resident individual shareholder, if the amount exceeds ₹5,000 along with earlier dividends remitted in FY 2024-25.

Dividend	Rate (₹)
Final dividend 2023-24	28
First interim dividend 2024-25	10
Second interim dividend 2024-25	10
Third interim and special dividend 2024-25	76
Total	124

Example 1:

Mr. A, resident individual, holding 100 shares of TCS is entitled to receive following dividends

Dividend	Dividend rate (₹)	Dividend Amount (₹) (A)	Cumulative Dividend (₹) (B)	TDS Rate (C)	TDS Amount (₹) (D = B*C)	Net Dividend Paid (₹) (E = A-D)
Final	28	2,800	2,800	NA	0	2,800
1st Interim	10	1,000	3,800	NA	0	1,000
2nd Interim	10	1,000	4,800	NA	0	1,000
3rd Interim & Special	76	7,600	12,400	10%	1,240	6,360

Example 2:

Ms. B, resident individual, holding 55 shares of TCS is entitled to receive following dividends

Dividend	Dividend rate (₹)	Dividend Amount (₹) (A)	Cumulative Dividend (₹) (B)	TDS Rate (C)	TDS Amount (₹) (D = B*C)	Net Dividend Paid (₹) (E = A-D)
Final	28	1,540	1,540	NA	0	1,540
1st Interim	10	550	2,090	NA	0	550
2nd Interim	10	550	2,640	NA	0	550
3rd Interim & Special	76	4,180	6,820	10%	682	3,498

Example 3:

Mr. C, resident individual, holding 75 shares of TCS is entitled to receive following dividends

Dividend	Dividend rate (₹)	Dividend Amount (₹) (A)	Cumulative Dividend (₹) (B)	TDS Rate (C)	TDS Amount (₹) (D = B*C)	Net Dividend Paid (₹) (E = A-D)
Final	28	2,100	2,100	NA	0	2,100
1st Interim	10	750	2,850	NA	0	750
2nd Interim	10	750	3,600	NA	0	750
3rd Interim & Special	76	5,700	9,300	10%	930	4,770

Example 4:

Mr. D, resident individual, holding 325 shares of TCS is entitled to receive following dividends

Dividend	Dividend rate (₹)	Dividend Amount (₹) (A)	Cumulative Dividend (₹)	TDS Rate (B)	TDS Amount (₹) (C = A*B)	Net Dividend Paid (₹) (D = A-C)
Final	28	9,100	9,100	10%	910	8,190
1st Interim	10	3,250	12,350	10%	325	2,925
2nd Interim	10	3,250	15,600	10%	325	2,925
3rd Interim & Special	76	24,700	40,300	10%	2,470	22,230

Taxation of Dividend Distribution

In accordance with Finance Act, 2020 and Income Tax Act, 1961 (“the Act”), Company has withheld tax on dividend paid to you at prescribed rates.

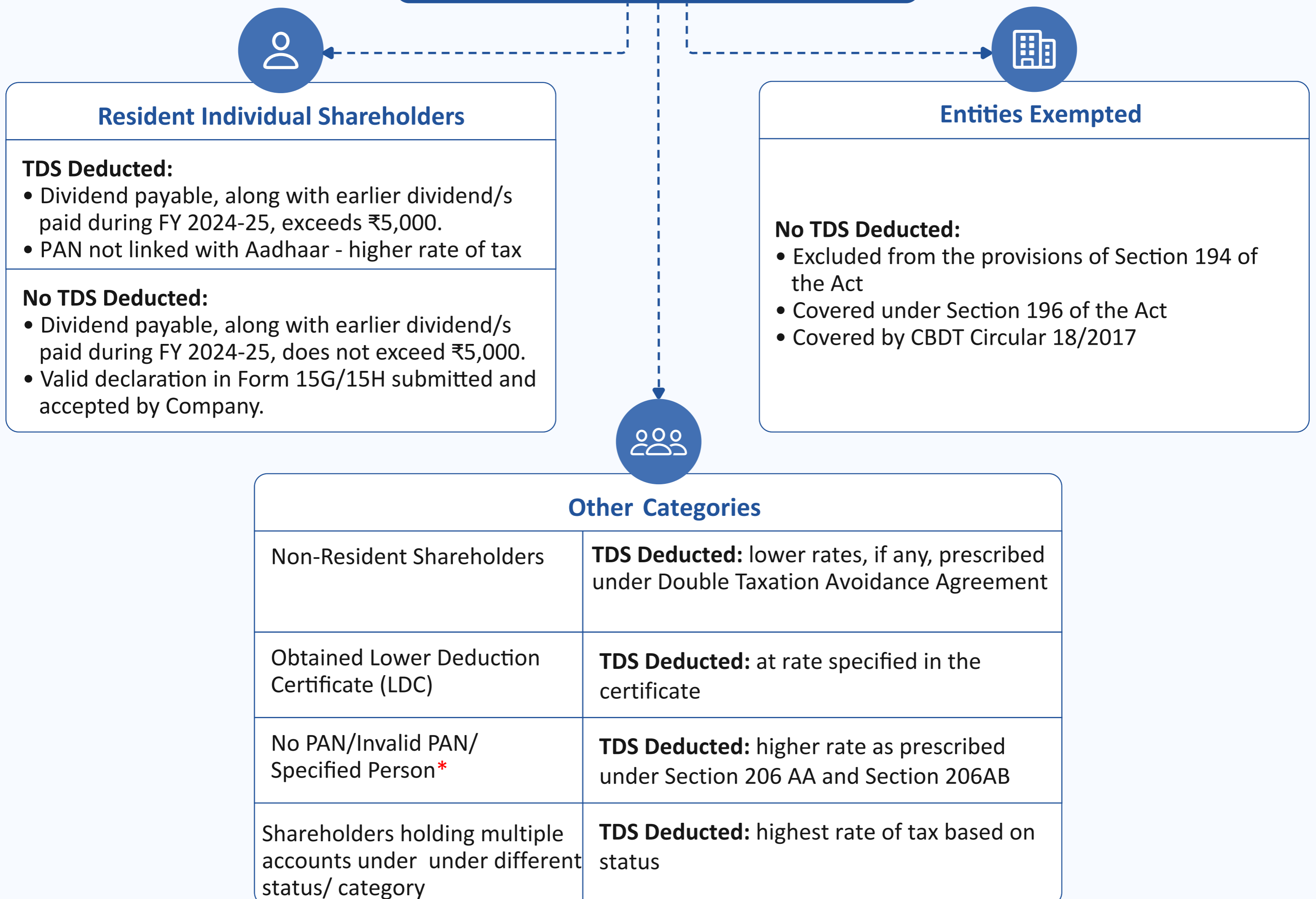
Applicable Tax Rates

Shareholders' Status/Category	Rate of Tax to be deducted at Source
Resident Individuals	10%
Non-Resident Individuals (with or without repatriation)	20% + applicable rate of surcharge + Cess
Domestic Companies	10%
Non-Domestic Companies	20% + applicable rate of surcharge + Cess



*Specified Person	
Not filed income tax return for the previous year	Aggregate of TDS and tax collected at source is ₹50,000 or more in that previous year

How to determine taxability?



i TDS deducted is assessable in hands of a person other than shareholder : TDS credit shall be given to that other person, upon submission of self-certified declaration within 10 days of receipt of dividend intimation.