



SUPRIYA LIFESCIENCE LIMITED

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COMMUNICATION IN RESPECT OF DEDUCTION OF TAX AT SOURCE ON DIVIDEND PAYOUT AND APPLICABLE TAX DEDUCTION (TDS)

To,
The Members,
Supriya Lifescience Limited

We are further pleased to inform you that the Board of Directors of the Company at its Meeting held on **May 28, 2024**, have approved Final Dividend of Rs. 0.80/- per equity share of face value of Rs. 2/- each for the Financial Year 2023-24. The said Final Dividend will be payable to those Members whose names appear in the in the Register of Members of the Company or in the records of the Depositories as beneficial owners of the shares as at the close of business hours on **September 20, 2024**.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act'), dividend paid on or after 1st April 2020, is taxable in the hands of shareholders and the Company is required to deduct tax at source ('TDS') from dividend paid to the shareholders at the applicable rates.

TDS rates that are applicable to shareholders depend upon their residential status and classification as per the provisions of the Act. The Company will therefore deduct tax at source at the time of payment of dividend, at rates based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

1.0 For Resident Shareholders:-

Tax will be deducted at source under Section 194 of the Act @ 10% on the amount of dividend payable, unless exempt under any of the provisions of the Act. However, in case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during the financial year does not exceed Rs. 5,000.

No TDS will be deducted in cases where a shareholder provides Form 15G (applicable to resident individual) / Form 15H (applicable to an resident individual above the age of 60 years), provided that the eligibility conditions as prescribed under the Act are met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication (Format enclosed as **Annexure A and Annexure B** respectively). Please note that all fields mentioned in the forms are mandatory and the Company will not be able to accept the forms submitted, if not filled correctly.

Please also note that valid Permanent Account Number ('PAN') will be mandatorily required. Shareholders who are required to link their Aadhaar number with their PAN in terms of the provisions of Section 139AA(2) read with Rule 114AAA of the Act.

NIL/lower tax will be deducted on dividend payable to the following categories of resident shareholders, on submission of self-declaration. (Format enclosed as **Annexure C**):

- i. **Insurance companies:** Documentary evidence to prove that the Insurance company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;
- ii. **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is eligible for exemption, along with self-attested copy of the registration documents and PAN card;
- iii. **Alternative Investment Fund (AIF) established in India:** Documentary evidence to prove that AIF is a fund eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self- attested registration documents and PAN card should also be provided;
- iv. **National Pension System Trust & other Shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;
- v. Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the Income Tax authorities.

Please also note that where tax is deductible under the provisions of the Act and the PAN of the shareholder is either not available or PAN available in records of the Company is invalid / inoperative, tax shall be deducted @ 20% as per section 206AA of the Act.

2.0 For Non-Resident Shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors):-

- i. Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- ii. As per section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents:-
 - a. Self-attested copy of PAN, if any, allotted by the Indian tax authorities. In case of non-availability of PAN, declaration (Format enclosed as **Annexure D**) is to be submitted;
 - b. Self-attested copy of valid Tax Residency Certificate ('TRC') issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status;
 - c. 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 CBDT, as required under the IT tax Act. (Format enclosed as **Annexure E**)
 - d. Self-declaration (Format enclosed as **Annexure F**) certifying the following points:-

- Shareholder is and will continue to remain a tax resident of the country of its residence during FY 2024-25 (i.e. 01.04.2024 to 31.03.2025);
 - Shareholder is the beneficial owner of the shares and is entitled to the dividend receivable from the Company;
 - Shareholder qualifies as 'person' as per DTAA and is eligible to claim benefits as per DTAA for the purposes of tax withholding on dividend declared by the Company;
 - Shareholder has no permanent establishment / business connection / place of effective management in India;
- OR
- Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India;
- Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner.
- e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.
- f. In case of Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act, kindly provide the copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.
- g. Any other cases of non-applicability or lower rate of TDS, please provide the copy of PAN and relevant supporting documents.

The format of the aforesaid documents may be downloaded from the link given at the end of this communication or Company's website viz. <https://supriyalifescience.com/ir-dividend.php>

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non- Resident shareholder and meeting the requirements of the Act, read with the applicable DTAA. In absence of the same, the Company will not be able to apply the beneficial DTAA rates at the time of deducting tax on dividend.

- iii. Where a shareholder furnishes lower / nil withholding tax certificate under Section 197 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

3.0 Section 206AB of the Act

Rate of TDS @ 10% u/s 194 of the Act is subject to the amended provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as 'Specified Persons'). Under section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

'Specified person' as defined under section 206AB(3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for last previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in the said previous years

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a 'specified person'.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021 has clarified that new functionality will be issued for compliance check under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said functionality to determine the applicability of Section 206AB of the Act.

4.0 To summarise, dividend will be paid after deducting tax at source as under:

- NIL for resident individual shareholders receiving dividend upto Rs.5,000
- Nil for resident individual shareholders in cases where duly filled up and signed Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for other resident shareholders in case copy of valid PAN is provided/available.
- 20% for resident shareholders if copy of PAN is not provided / not available.
- TDS rate will be determined on the basis of documents submitted by the non-resident shareholders.
- 20% (plus applicable surcharge and cess) for non-resident shareholders in case the relevant documents are not submitted.
- Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above mentioned rates will be subject to applicability of Section 206AB of the Act.

5.0 Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income. (Format enclosed as **Annexure G**)

6.0 For Shareholders Having Multiple Accounts Under Different Status / Category:

Shareholders holding equity shares in the Company 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 are held under a PAN will be considered on their entire holding in different accounts.

7.0 For all Shareholders:-

Individual resident shareholders are requested to kindly link their AADHAR with PAN on the Income-Tax portal.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than **September 24, 2024**. The aforementioned

documents should be uploaded with Company's RTA at Transfer Agent at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. In case the requisite documents are submitted by the shareholders through his/her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted. In the email also please mentioned the following information:

- Name of Shareholders
- Folio / DP-Client ID
- PAN
- Financial year
- Name of Form submitted

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

No communication on the tax determination / deduction shall be considered after **September 24, 2024**.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you or due to defect in any of the aforementioned details/documents, option is available to you to file the return of income as per Act and claim an appropriate refund of the excess tax deducted, if eligible. No claim shall lie against the Company for such taxes deducted.

The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said final dividend/furnishing of TDS returns for financial year 2023-24 with the authorities.

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, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.

8.0 UPDATION OF PAN, EMAIL ADDRESS AND OTHER DETAILS:

All the shareholders are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their depository participants, if the shareholding is in demat form or with the Company's Registrar & Transfer Agent ('RTA'), Link Intime India Private Limited, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as 'the Depositories') in case of shares held in demat mode and from the RTA in case of shares held in physical mode and no request will be entertained for revision of TDS return.

9.0 UPDATE OF BANK ACCOUNT DETAILS:

In order to facilitate receipt of dividend directly in your bank account, 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 may submit the name and bank

account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card, with Link Intime India Private Limited. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

We solicit your cooperation in this regard.

Thanking you,

Yours sincerely,
For **Supriya Lifescience Limited**

Sd/-
Shweta Singh
Company Secretary & Compliance Officer

[Click Here](#) to download:

Annexure A – Form 15G

Annexure B – Form 15H

Annexure C – self declaration (Resident shareholder)

Annexure D – self declaration for non-availability of PAN (Non-resident shareholder)

Annexure E – Form 10F

Annexure F – self declaration (Non-resident shareholder)

Annexure G – self declaration (Rule 37BA for transfer of TDS credit)

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 shareholders are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

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Please note that this communication is applicable only if you are an eligible member to receive dividend.