

# **ROSSARI BIOTECH LIMITED**

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## **INTIMATION OF TAX DEDUCTED AT SOURCE (TDS) ON DIVIDEND FOR THE FINANCIAL YEAR 2020-21**

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## **Intimation of Tax Deduction at Source (TDS) / withholding tax on Dividend for the Financial Year 2020-21**

We are pleased to inform you that the Board of Directors at their Meeting held on May 14, 2021 have declared a Final Dividend @ 25% (i.e. Re. 0.50/-) per Equity Share for the Financial Year ended March 31, 2021. The Dividend shall be paid on or after Thursday September 23, 2021, subject to the approval of the Members at the 12<sup>th</sup> Annual General Meeting (“AGM”) scheduled to be held on Friday, September 17, 2021.

As you are aware that pursuant to the Income Tax Act, 1961 (“the Act”), as amended by the Finance Act, 2020 dividends paid or distributed by a company on or after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend, if approved at the forthcoming AGM.

All the Shareholders are required to ensure that the details such as PAN, residential status, category of Shareholders (e.g. Domestic Company, foreign company, Individual, Firm, LLP, HUF, Foreign Portfolio Investor (“FPI”), Foreign Institutional Investor (“FII”), Government, Trust, Alternate Investment Fund – Category I, II or III, etc.) email id and address are updated, in their respective demat account/s maintained with the Depository Participants. Please note that these details are available on Book Closure date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable withholding tax provisions.

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

### **I. For Resident Shareholders:**

Tax is required to be deducted at source under Section 194 of the IT Act, at 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (PAN) and at a rate of 20% for cases wherein:

- a. the shareholder(s) do not have PAN / have not registered their valid PAN details in their account.
- b. the shareholder(s) have not linked their Aadhaar with their PAN within the due date as prescribed by the Income Tax Department, rendering the PAN as invalid.
- c. the shareholder(s) have not filed their Income Tax returns for FY 2018-19 and 2019-20 and the aggregate of TDS and tax collected at source in his/her case is ₹ 50,000 or more, in each of these two previous years

#### A. Resident Individuals

No tax shall be deducted on the dividend payable to resident individuals if -

- Total amount of dividend to be received by them during the Financial Year 2021-22 does not exceed ₹ 5,000/-; or
- The shareholder provides Form 15G (applicable to any person other than a HUF, Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all the fields are mandatory to be filled up and may at its sole discretion reject the form if it does not fulfill the requirement of law; or
- Exemption certificate is issued by the Income-tax Department, if any.

[Click Here to download Form 15G](#)

[Click Here to download Form 15H](#)

#### B. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as below:

Category of shareholders	Exemption applicability/Documentation requirement
Mutual Funds	No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
Insurance Companies.	No TDS is required to be deducted as per Section 194 of the Act, subject to specified conditions. Self-attested copy of valid IRDAI registration certificate needs to be submitted.
Category I and II Alternative Investment Fund	No TDS is required to be deducted as per Section 197A(1F) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted
Recognized Provident Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
Approved Superannuation Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
Approved	TDS is required to be deducted as per Circular No.18/2017,

Category of shareholders	Exemption applicability/Documentation requirement
Gratuity Fund	subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.
National Pension Scheme	No TDS is required to be deducted as per Section 197A(1E) of the Act. A declaration that the
Government (Central/State)	No TDS is required to be deducted as per Section 196(i) of the Act.
Any other entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, jorder, etc.) in support of the entity being entitled to TDS exemption needs to be submitted) falong with copy of PAN card.

- C. In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Income-tax Act, 1961, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

## II. For Non-Resident Shareholders:

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the applicable rates in force. As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of GDRs and FII/FPIs, the withholding tax shall be as per the rates specified in Section 196C and 196D of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them. However, as per Section 90 read with Section 195 of the Income tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- a. In case of FPI / FII, copy of SEBI registration certificate;
- b. Self-attested true copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2021-22;
- c. Self-declaration in Form 10F ([Click here to download Form 10F](#));
- d. Self-attested true copy of the Permanent Account Number (PAN Card) if allotted by the Indian Income Tax authorities;
- e. Self-declaration in the format under General ([Click here to download the self-declaration format](#)), certifying the following points:

- i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
- ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
- iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- iv. Shareholder does not have a taxable presence or a Permanent Establishment (PE) in India during the Financial Year 2021-22. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
- v. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- vi. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

Please note that 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, of the documents submitted by the Non-Resident shareholder.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

### **III. TDS to be deducted at higher rate in case of non-filers of Return**

The Finance Act, 2021, has inter alia inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- a. At twice the rate specified in the relevant provision of the Act; or
- b. At twice the rates or rates in force; or
- c. At the rate of 5%

The '**specified person**' means a person who has:

- a. not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and

- b. subjected to tax deduction/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

Kindly note that the aforementioned documents are required to be submitted up to Thursday, September 02, 2021 at 06:00 P.M. in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post Thursday, September 02, 2021. It may be further noted 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 incomplete documents, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provision of the Act.

In view of the ongoing COVID-19 pandemic, shareholders are requested to upload tax exemption declaration on below weblink:

<https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

**ALL ANNEXURES RELATED TO ONE SHAREHOLDER MUST BE UPLOADED AS SINGLE DOCUMENT AT ONE GO. MULTIPLE DOCUMENTS AT MULTIPLE UPLOADS WOULD CREATE CONFUSION AND COMPANY CAN NOT LINK THEM TOGETHER. IN CONSEQUENCE, DOCUMENTS MAY BE IGNORED.**

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
2. Shareholders holding Equity 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.
3. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being submitted by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
4. In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person upto Thursday September 02, 2021 at 06:00 P.M. No request in this regard would be accepted by the Company/RTA after the said date or payment of dividend.

5. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences.

**Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.**

6. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.
7. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such higher taxes deducted.**
8. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be 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.
9. Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent Link Intime (India) Private Limited at [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html). 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.

**Incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.**

All communications/ queries in this respect should be addressed to Link Intime India Private Limited our Registrar and Transfer Agent to its email address [Rossaribiodivtax@linkintime.co.in](mailto:Rossaribiodivtax@linkintime.co.in) with a copy marked to [investors@rossarimail.com](mailto:investors@rossarimail.com).