



Paradeep Phosphates Ltd.

Detailed information in respect of deduction of tax at source (TDS) on the Final Dividend for the financial year 2022-23

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on May 17, 2023, has *inter alia* approved and recommended payment of **final dividend** at the rate of **Re. 0.50 per share** of the face value of Rs. 10/- each on equity shares of the Company for the financial year ended March 31, 2023 ("**Final Dividend**"), subject to the approval of the shareholders at the ensuing 41st Annual General Meeting ("**AGM**") of the Company to be held on **Tuesday, September 26, 2023**.

The Final Dividend If declared at the AGM, the said final dividend on equity shares will be credited/dispatched to the shareholders within 30 days from the date of AGM to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **September 19, 2023**.

INFORMATION FOR ALL SHAREHOLDERS - UPDATION OF DETAILS, AS APPLICABLE

All Shareholders are requested to ensure that the below information and details are completed and/or updated, as applicable, in their respective Demat account(s) maintained with the Depository Participant(s); on or before the **Record Date i.e., Tuesday September 19, 2023**.

Please note that the following information & details, if already registered with the Link Intime and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

1. A valid Permanent Account Number (PAN)*;
2. Residential status as per the Act i.e., Resident or Non-Resident for FY 2023-24;
3. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternative Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc;



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4. Email Address;
5. Mobile number;
6. Bank account details; and
7. Address with PIN code (including country).

TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDER(S)

As you are aware that as per the Income Tax Act, 1961 (“Act”), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the applicable rates at the time of making the payment of the said Interim Dividend.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted by the shareholders and accepted by the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are summarized below:

Table 1: Resident Shareholders

Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Resident Individuals		
If total Dividend income to a resident individual shareholder Financial Year FY 2023-24 >Rs. 5,000	10% in case where PAN is provided/available - 20%, in other cases where PAN is not provided / not available or in case the shareholder falls in the category of “specified persons”*	Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode).



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Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Shareholders providing duly signed Form 15G (applicable to <u>only resident individual shareholders</u> below the age of sixty years) /15H (applicable to <u>only resident individual shareholders</u> aged 60 years or more) provided that all the prescribed eligibility conditions are met.	NIL	Form 15G/15H duly signed – The forms are available on the website of Link Intime.
If total Dividend income to a resident individual shareholder in Financial Year FY 2023-24 < Rs. 5,000	NIL	-
Resident - Other than Individuals		
Indian Commercial Banks/Indian Financial Institutions	10%	-
Insurance Companies: LIC & Other Insurance Companies such as GIC/United India Insurance Co/Oriental Insurance Co/New India Assurance Co as provided under	NIL	A declaration that it has a full beneficial interest with respect to the shares owned by it along with PAN and copy of the certificate of registration issued by the relevant authority.



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Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Second Proviso to section 194 of IT Act		
Govt. of India, Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income (Section 196)	NIL	Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.
Mutual Funds	NIL 10%	Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate. In case of mutual funds not covered under section 10 (23D) of the Income Tax Act, 1961
Alternative Investment Fund	NIL 10%	Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate. In case AIF other than those registered with SEBI as per Section 115UB of the Income Tax Act.



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Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Other resident shareholder without PAN/Invalid PAN/ or falling into the category of specified persons as per section 206AB of the Act	20%	-

Please Note that:

- a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- b) Shareholders 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

Table 2: Non-resident Shareholders

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the said provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Income Tax Act, 1961, a non-resident payee 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 the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide documents provided in the table:



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Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder (This includes Foreign Companies, Corporate, Institutional Investors, Portfolio Investors, NRI, Nationals and other foreign entities)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower Or in case the shareholder is a specified person as per Section 206AB, then twice the above applicable rate would apply to the shareholder	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty") as per Section 90 of the Income tax Act, 1961. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company <ul style="list-style-type: none">• Copy of the PAN Card, if any, allotted by the Indian authorities.• Self-attested copy of Tax Residency Certificate (TRC) valid as on the record date, obtained from the tax authorities of the country of which the shareholder is resident.• Duly certified Form 10F electronically filed on Indian Income-tax Portal or submission of duly signed/certified Form 10F in physical mode for FY 2023-24.• Self-declaration in prescribed form confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India for FY 2023-24.• Self-declaration in the prescribed format which is available in Link Intime website, certifying on the following points:<ul style="list-style-type: none">i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Current Financial Year;ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of



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Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
		<p>tax withholding on dividend declared by the Company;</p> <p>iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;</p> <p>iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and</p> <p>v. Shareholder does not have a taxable presence or a permanent establishment in India during the Current Financial Year.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided.</p> <p>However, the Company in its sole discretion reserves the right to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts and to call for any further information. Application of DTAA rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.</p>
Submitting Order under section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.



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Note: The Shareholders 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.

Applicability of higher rates on Specified Person* as per Section 206AB in case of Resident Members and Non-Resident Members who have Permanent establishment in India for TDS under section 194/195/196D of the Act:

The rates of TDS under section 206AB of the Act shall be higher of the following:

- i. twice the rate specified in the relevant provision of the Act
- ii. twice the rate or rates in force; or
- iii. the rate of five per cent.

* **Specified Person** means a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

- In this regard, the company shall assess the 'Specified Person' based on the functionality provided by the Income Tax Department for compliance check under section 206AB.
- If any Resident or Non- Resident member is falling in the category of 'Specified Person' as per the above functionality by Income Tax Department, the Company shall be obliged to deduct tax at higher rate of TDS as per section 206AB of the Act (plus applicable surcharge and cess).

Benefit under Rule 37BA:

In case where shares are held by intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration within the prescribed date. Any declaration submitted after the cut-off date will not be accepted.

General Instructions:

Kindly note that the documents as mentioned above are required to be submitted to the Registrar at email ID ppldivtax@linkintime.co.in or update the same by visiting the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before the **19th September 2023** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication/documents on the tax determination / deduction shall be considered post **19th September, 2023**.



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For all Shareholders:

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The Link for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the **General tab**. All the forms are available in under the head "**Form 15G/15H/10F**"

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below:

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

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

In case dividend income is assessable in the hands of person other than member then declaration needs to be provided by member for the same as per Rule 37BA of the Income Tax Rules, 1962.

Further, please note that all forms/declarations submitted are valid for the Financial Year for which it has been issued. Hence, you are requested to submit appropriate forms for Current Financial Year.

In the absence of receipt of or satisfactory completeness of the requisite documents or details, within the specified time, TDS would be deducted as per the provisions of the Income Tax Act. In such a case, no subsequent adjustments will be made by the Company for documents received later than 19th September 2023 above. 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 your end, then option is available to you to file the return of income as per Act and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.



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The post completion of dividend activities the shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

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 Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.

We request your cooperation in this regard.

Yours Sincerely,
For Paradeep Phosphates Limited

Sachin Patil
Company Secretary

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional