PARRYS

E.I.D. - Parry (India) Limited
Regd.Office : Dare House, 234,N.S.C.Bose Road, Parrys Corner, Chennai-600 001, India.
Tel : 91.44.25306789 Fax : 91.44.25341609 / 25340858
CIN : L24211TN1975PLC006989
Website : www.eidparry.com

November 09, 2021

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 500125

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051
Scrip Code: EIDPARRY

Dear Sir/Madam,

Sub: Communication to Shareholders - Deduction of tax at source on dividend under relevant sections of the Income-tax Act, 1961 –Interim Dividend 2021-22

Please find enclosed herewith the communication sent through email to all the shareholders having registered their email IDs with the Company/Depositories.

We request you to kindly take the below mentioned information on record.

Thanking you,

Yours faithfully
For **E.I.D.- PARRY (INDIA) LIMITED**

Biswa Mohan Rath
Company Secretary
Encl.: a/a

murugappa

** This Email has been sent from an external source. Be-aware of the sender and exercise caution while using hyperlinks, attachments etc.,**

E.I.D-Parry (India) Limited

CIN: L24211TN1975PLC006989 Registered Office: 'Dare House', Parrys Corner, Chennai - 600 001 Tel: 044 - 25306789 Fax: 044 - 25341609 E- mail:investorservices@parry.murugappa.com; Website: www.eidparry.com

November 9, 2021

Ref: Folio / DP Id & Client Id No:
Name of the Shareholder:

Dear Shareholder,

The Board of Directors of your Company at their meeting held on November 8, 2021, have approved payment of an Interim Dividend of Rs.5.50 per equity share (having a nominal value of Re.1/- each) for the Financial Year ending March 31, 2021.

As you may be aware, in terms of the provisions of the Income Tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividend declared, paid and distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company will, therefore, be required to deduct tax at source at the time of payment of the dividend at the applicable rates as per the provisions of the Act.

The applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories are as follows:

I. **FOR RESIDENT SHAREHOLDERS:**

Tax is required to be deducted at source under Section 194 of the Act, **at the rate of 10%** on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, **TDS at the rate of 20%** shall be deducted as per Section 206AA of the Act.

a. **Resident individual shareholders:** No tax shall be deducted on the dividend payable to resident individuals, if -

   i. Total dividend amount to be received by them during the Financial Year 2021-22 does not exceed Rs. 5,000/; or

   ii. The shareholder provides Form 15G (applicable to individual) / 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 fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law; or

Proforma of Blank Form 15G and 15H can be downloaded from the link given at the end of this communication.

b. **Resident Shareholders other than individuals :**

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

i. **Insurance Companies: Public & other 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.

ii. **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.

iii. **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.

iv. **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.

v. **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.

vi. **Approved Gratuity 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 C of Fourth Schedule to the Act needs to be submitted.

vii. **National Pension Scheme :** No TDS is required to be deducted as per Section 197A(1E) of the Act. A declaration that the NPS is exempt under Section 10(44) is required.

viii. Government (Central/State) : No TDS is required to be deducted as per Section 196(i) of the Act.

ix. **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: Self-declaration specifying the specific Central

Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.

x. **Any other entity entitled to exemption from TDS :** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted along with copy of PAN card.

Application of Nil rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

c. Notwithstanding anything contained above, in case where the shareholders provide a certificate under Section 197 of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, based on submission of self-attested copy of the same.

II. **<u>NON-RESIDENT SHAREHOLDERS OR FOREIGN COMPANIES ('Non-resident payee')</u>**

Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the said provision, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. 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 of the Act, a non-resident payee has the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with Multilateral Instrument ('MLI'), if applicable, 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 read with MLI (if applicable), the non-resident shareholder will have to provide certain documents, namely:

i. In case of FPI / FII, copy of SEBI registration certificate;

ii. Self-attested copy of PAN Card, if any, allotted by the Indian Income Tax authorities;

iii. Self-attested copy of Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is resident, valid as on date of payment;

iv. Self-declaration in Form 10F (please download from the link given at the end of this communication, if all the details required in this form are not mentioned in the TRC);

v. Self-declaration by the non-resident payee containing such particulars/ confirmation as would be relevant to be governed by and/ or avail benefits, if any, under the applicable DTAA read with MLI (draft format attached herewith) can be downloaded from the link given at the end of this communication.

vi. Application of beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident payee. If required, the documents may further be corroborated by supportings such as opinion from an accounting firm or a law firm which categorically confirms the eligibility of the shareholder to obtain DTAA benefits particularly pertaining to the lower rate of taxation of dividends prescribed under the specific article of the DTAA read with MLI.

Dividend paid to Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPI") -

The tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to FII and FPI. For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FII and FPI since the provisions of the Act do not provide so;

Tax resident of any notified jurisdictional area –

Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act.

Notwithstanding anything contained above, lower / NIL TDS will be applicable on submission of self-attested copy of the certificate issued under section 197 of the Income Tax Act, 1961.

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. **SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:**

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 are held under a PAN will be considered on their entire holding in different accounts.

To enable us to determine the appropriate TDS / withholding tax rate applicability, the aforementioned documents are required to be uploaded at the weblink of the Registrar and Share Transfer Agent viz. KFin Technologies Private Limited ("RTA") at https://ris.kfintech.com/form15 not later than **November 18, 2021**. No communication on the tax determination / deduction shall be entertained thereafter. TDS certificate for shareholders who provided valid PAN will be sent by email at your registered email ID in due course and for shareholders who have not registered their email ID, the certificate will be sent by post, after filing of TDS return. We also request you to register your email IDs, mobile numbers and update your bank account details with your Depository Participant for receiving electronic credit of dividends directly into your bank accounts, in case you are holding shares in electronic form or with the RTA in case of holding in physical form.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, you would still have the option of claiming directly from IT authorities refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

IV. **<u>TDS to be deducted at higher rate in case of non-filers of Return</u>**

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':

1. At twice the rate specified in the relevant provision of the Act; or
2. At twice the rates or rates in force; or
3. 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 on or before **18/11/2021** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction for the said dividend shall be entertained to submit after **18/11/2021.** 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 provisions of the Act.

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

Click here to submit the Tax Exemption Forms online

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.

2. Shareholders holding Ordinary 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 on or before November 18, 2021. 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 as per the information available with the company and does not purport to be a complete analysis or listing of all potential tax consequences or an opinion on tax provisions in any manner. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them. The Company will consult its own tax advisors, in case of any variations in the above communication about the provisions of law pertaining to TDS.

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 KFin Technologies Private Limited at einward.ris@kfintech.com. 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 or certificate.**

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

In case of any queries, you may write to us at investorservices@parry.murugappa.com or einward.ris@kfintech.com.

Your co-operation in this regard is solicited.
Thanking you,

Yours faithfully,
For **E.I.D.- Parry (India) Limited**
Sd/-
Biswa Mohan Rath
Company Secretary

Click Here to download - 15H
Click Here to download - 15G
Click Here to download - 10F
Click Here to download - Self declaration