



SUPRAJIT ENGINEERING LIMITED
CIN: L29199KA1985PLC006934
Registered Office: No.100 & 101, Bommasandra Industrial Area,
Bangalore - 560099.
Tele: +91 080-4342 1100, Email: investors@suprajit.com,
Website: www.suprajit.com

Date:12.02.2021

Sub: Dividend 2020-21 - Communication on Tax Deduction at Source (TDS) on Dividend payout.

Dear Shareholder,

We hope this communicate finds you safe and in good health.

As you are aware, the Board of Directors of the Company, at their Meeting held on 10.02.2021, have recommended an Interim Dividend of Re.0.75 per Equity Share of Rs.1/- each for the Financial Year 2020 - 21. This dividend will be paid/dispatched on or before 21.03.2021.

Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Interim Dividend will be paid after deducting the tax at source as follows:










Resident Shareholder

Particulars	Applicable withholding tax Rate	Documents required (if any)- Please submit with details of Dp. Id – Client Id/ Folio No.
With PAN (In accordance with Section 194 of the I.T. Act)	7.5%*	Update the PAN, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Integrated Registry Management Services P. Ltd.(in case of shares held in physical mode).
Without PAN/ Invalid PAN	20%*	
Submitting Form 15G/ Form 15H	NIL	Declaration in Form No. 15G / Form 15H applicable to an Individual who is 60 years and more, fulfilling certain conditions*. Please download Form 15G / 15H from the Income Tax website www.incometaxindia.gov.in *A declaration in Form No. 15G/15H, as the case may be furnished, to the Company to the effect that the tax on the estimated total income of the FY 2020-2021 after

Particulars	Applicable withholding tax Rate	Documents required (if any)- Please submit with details of Dp. Id – Client Id/ Folio No.
		including the income on which tax is to be deducted, will be NIL.
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.
Shareholders (e.g. LIC, GIC for whom Section 194 of the Act is not applicable)	NIL	-Documentary evidence that the said provisions u/s 194 are not applicable. -a declaration that it has full beneficial interest with respect to the shares owned by it along with PAN
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	NIL	Documentary evidence that the person is covered under said Section 196 of the Act. Mutual Funds: (i) Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate. (ii) Also a certificate that payment of / by way of dividend in respect of any securities or shares owned by it or in which it has full beneficial interest.
Category - I & II Alternative Investment Funds (AIF) registered with SEBI	NIL	AIF established/incorporated in India - 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 self-attested copy of the PAN card and registration certificate

* Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2020-21 does not exceed Rs. 5,000.

Non-Resident Shareholder:

Particulars	Applicable withholding tax Rate	Documents required (if any)- Please submit with details of Dp. Id – Client Id/ Folio No.								
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Self-attested copy of PAN if available								
Other Non-resident shareholders (In accordance with the provisions of Section 195 of the I.T. Act)	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower)	<p>In order to apply the Tax Treaty rate, following documents would be required:</p> <table border="1" data-bbox="797 606 1425 1703"> <tr> <td data-bbox="797 606 867 678">1)</td> <td data-bbox="867 606 1425 678">Self-attested copy of Indian Tax Identification number (PAN), if available</td> </tr> <tr> <td data-bbox="797 678 867 779">2)</td> <td data-bbox="867 678 1425 779">Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident</td> </tr> <tr> <td data-bbox="797 779 867 947">3)</td> <td data-bbox="867 779 1425 947">Form 10F duly filled and signed  Form 10F.pdf</td> </tr> <tr> <td data-bbox="797 947 867 1703">4)</td> <td data-bbox="867 947 1425 1703"> <p>Self-declaration from Non-resident, primarily covering the following (draft format attached herewith):</p> <ul style="list-style-type: none"> -Non-resident is eligible to claim the benefit of respective tax treaty. -Non-resident receiving the dividend income is the beneficial owner of such income -Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India. -Declaration stating that the construct and affairs of the shareholders are not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty. <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="911 1587 1101 1696">  Letter in case a Foreign Company.docx </div> <div data-bbox="1117 1587 1307 1696">  Self declaration -no PE and beneficial own </div> </div> </td> </tr> </table>	1)	Self-attested copy of Indian Tax Identification number (PAN), if available	2)	Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident	3)	Form 10F duly filled and signed  Form 10F.pdf	4)	<p>Self-declaration from Non-resident, primarily covering the following (draft format attached herewith):</p> <ul style="list-style-type: none"> -Non-resident is eligible to claim the benefit of respective tax treaty. -Non-resident receiving the dividend income is the beneficial owner of such income -Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India. -Declaration stating that the construct and affairs of the shareholders are not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty. <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="911 1587 1101 1696">  Letter in case a Foreign Company.docx </div> <div data-bbox="1117 1587 1307 1696">  Self declaration -no PE and beneficial own </div> </div>
1)	Self-attested copy of Indian Tax Identification number (PAN), if available									
2)	Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident									
3)	Form 10F duly filled and signed  Form 10F.pdf									
4)	<p>Self-declaration from Non-resident, primarily covering the following (draft format attached herewith):</p> <ul style="list-style-type: none"> -Non-resident is eligible to claim the benefit of respective tax treaty. -Non-resident receiving the dividend income is the beneficial owner of such income -Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India. -Declaration stating that the construct and affairs of the shareholders are not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty. <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="911 1587 1101 1696">  Letter in case a Foreign Company.docx </div> <div data-bbox="1117 1587 1307 1696">  Self declaration -no PE and beneficial own </div> </div>									
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.								

**

Further, as per Section 90 of the Act the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder read with provisions laid down in Multilateral Instrument, wherever applicable. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholder will have to provide documents as specified above.

Kindly note that the Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

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.

The aforesaid documents, as applicable, should be received from registered email ID by email to Integrated Registry Management Services P. Ltd at their email id gopi@integratedindia.in / gi@integratedindia.in or the same can be filed on the weblink of RTA <https://www.integratedindia.in/ExemptionFormSubmission.aspx> **on or before 22.02.2021** to enable the Company to determine the appropriate TDS / withholding tax rate applicable and remit the same to the Government within the stipulated date.

No communication on the tax determination/deduction received post **22.02.2021** shall be considered for payment of Interim Dividend with the appropriate deduction / no deduction.

For withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs **on or before 22.02.2021**.

If the tax on said Interim Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by 22.02.2021, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities, if eligible.

Above communication on TDS sets out the provisions of law in a summary manner only from withholding tax perspective. Shareholders should consult their tax advisors for the applicable tax provisions.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Interim Dividend. Shareholders will also 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>
We request your cooperation in this regard.

Thanking you,

Yours faithfully

For Suprajit Engineering Limited

Sd/-

Medappa Gowda. J
Company Secretary