

CHANDRA PRABHU INTERNATIONAL LIMITED

Regd. Office: 14, Rani Jhansi Road New Delhi-110055
Corporate office: 522, Fifth Floor, DLF Galleria Commercial Complex,
DLF City Phase IV, Gurugram, Haryana-122009
CIN: L51909DL1984PLC019441
Email : info@cpil.com, cs@cpil.com
Website : www.cpil.com

Dear Members,

Folio No. / DPID & Client ID No. :

Sub: Communication to Shareholder of deduction of tax at source on Final Dividend for FY 2020-21

The Board of Directors of the Company at its Meeting held on 25th June, 2021, has recommended a Final dividend of Rs. 1.00 (Rupees One) per equity share having Face Value of Rs. 10 each for the financial year ended March 31, 2021.

The dividend as recommended by the board, if approved at the ensuing Annual General Meeting, will be paid to the shareholders holding equity shares of the Company, either in electronic or in physical form on the record date (to be announced in due course).

The dividend will be paid electronically in the Members bank accounts and the Company may retain dividend warrants of members who have not registered their bank details and dividend warrants/demand drafts/cheques will be sent to the registered addresses depending on availability of postal services.

Accordingly, the Shareholders holding Shares in Demat Form are requested to complete necessary formalities with regard to their bank accounts attached to their Demat account for enabling the Company to make timely credit of Dividend in respective bank accounts. Members who have not updated their bank accounts details are requested to update bank details either by submitting the following documents to the Depository Participant (in case of share held in dematerialized form) and to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited (in case of shares held in physical form) at Alankit House, 4E/2 Jhandewalan Extension New Delhi-110055:

- (i) Duly completed Dividend Mandate Form with signature of the First Sole holder attested by your banker
- (ii) Cancelled cheque leaf with your name, account no. and IFSC Code printed thereon.

In case your name is not printed on the cheque leaf, you are requested to send additionally self-attested copy of your pass book/bank statement showing your name, account no and IFSC Code. In the covering letter, please mention name of the company, Folio number along with your name, address, email id and phone number.

All the shareholders are also requested to ensure that their details with reference to valid Permanent Account Number, Resident status as per Act, i.e Resident or Non- Resident as applicable, Category of their account as per the PAN, E-mail-ID/Postal address, Bank Account details are complete/updated, as applicable, in their account maintained with Depository Participant (in case of share held in dematerialized form) and in case of shares held in physical form, complete/update the said details with M/s Alankit Assignments Limited, the Company's Registrar & Share Transfer Agent ("RTA").

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, the final dividend for the Financial Year 2020-21 to be paid and distributed by the Company is taxable in the hands of its Shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. Accordingly, the above referred final dividend will be paid after deducting the tax at source including applicable surcharge and cess as notified from time to time under the Act.

This communication summarises the applicable TDS provisions in accordance with the provisions of the Income tax Act, 1961, for various categories, including Resident or Non-Resident members.

1) For Resident Members:

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any Resident Shareholder	10%	No deduction of taxes in the following cases- <ul style="list-style-type: none"> • If dividend income to a resident Individual shareholder during FY 2021-22 does not exceed INR 5,000/-. • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same. • Submitting declaration in Form No. 15G (applicable to any person other than a company or a firm) /Form 15H (applicable to an Individual who is 60 years and older), fulfilling all the required eligibility conditions.
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and PAN card along with self-declaration that the mutual funds are notified mutual fund u/s 10(23D)(ii) of Income Tax Act, 1961.
Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Income Tax Act, 1961 are not applicable along with self- attested copy of PAN card.
Corporation established by or under a Central Act which is under any Law for the time	NIL	Documentary evidence that the Corporation is covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy

being in force, exempt from income-tax on its income		of PAN card.
Recognized Provident Funds, Approved Superannuation Gratuity Fund	NIL	i. A Declaration that their TDS is not required to be deducted as per circular No.18/2017 issued by CBDT ii. Attested copies of registration documents and PAN
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	NIL	Documentary evidence that the Corporation is covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN card.
National Pension Scheme	NIL	i. A Declaration that their income is exempt under Section 10 of the Act and there is no requirement to deduct TDS u/s 197A(1E) of the Act ii. Attested copies of registration documents and PAN
Alternative Investment Fund Category- I & II	NIL	A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Self-attested copy of registration documents and PAN card should be provided.
Order u/s 197 of the Act	Rate provided in the order	i. Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities ii. Self-attested copy of PAN iii. Company's Tax Deduction Account No. [TAN) which is required for applying for Lower / NIL Rate.
Other resident shareholder without PAN/Invalid PAN /Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income Tax department (refer detailed note on Section 206AB below)	20%	Shareholders should update the PAN if not already done with Depositories (in case shares are held in demat mode) and with the Company's Registrar & Share Transfer Agent - Alankit House, 4E/2 Jhandewalan Extension New Delhi-110055 at their email id: rta@alankit.com or with us at cs@cpil.com (in case shares are held in physical mode).

2) For Non Resident Members:

Category of Shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder / Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI)	195/196D	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>i Non-resident shareholders / FFI / FPI may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company:</p> <p>i. Copy of the PAN Card, if any, allotted by the Indian authorities.</p> <p>ii. 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.</p> <p>iii. Self-declaration in Form 10F.</p> <p>iv. Self-declaration from Non-residential, primarily covering the following:</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. <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided / found not to be valid.</p> <p>The Company is not obligated to automatically apply the Tax Treaty</p>

			rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.
Sovereign Wealth Fund, Pension Funds, Other bodies notified under Section 10(23FE) of the Act	10(23FE)	NIL	Self- Declaration substantiating the fulfillment of conditions prescribed under Section 10(23FE) of the Act.
Submitting Order under section 197 of the Act.	197	Rate provided in the order	i. Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities ii. Self-attested copy of PAN iii. Company's Tax Deduction Account No. [TAN] which is required for applying for Lower / NIL Rate.
Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income-tax department (refer detailed note on Section 206AB below)	206AB	Twice the rate specified in the relevant provision of the Act; or Twice the rate or rates in force whichever is higher	Non-resident shareholder may file a declaration confirming that they do not have any fixed place of business in India.

The members are requested to update the said Documents/Forms with the Depository participant or with company's Registrar and Transfer Agents, M/s Alankit Assignments Limited at <https://einward.alankit.com>

Section 206AB of the Income Tax Act, 1961:

The rate of TDS under Section(s) 194, 195 & 196D of the Income Tax Act, 1961 (hereinafter referred to as the 'Act') are subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduced special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as specified persons). As per the provisions of 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%.

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

"Specified person" as defined u/s 206AB(3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for two previous years 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 each of these two previous years.

Non-Resident shareholders who do not have permanent establishment in India (i.e. fixed place of business of India) are excluded from the scope of a "specified person".

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.

Exemption / Lower TDS will be granted to the eligible Shareholder only if the documents submitted by the Shareholder are complete in all respect & subject to satisfactory review by the Company.

Kindly note that the aforementioned documents are required to be mailed at rta@alankit.com or cs@cpil.com on or before 10th September, 2021 in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained after the said date. The Company reserves the right to reject the documents in case of any discrepancy or if the documents are found to be incomplete.

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.

In case Tax on Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the respective Shareholder shall get the credit of the same in his/her 26AS [Annual Tax Statement] & can claim the refund of the excess Tax paid, if any, at the time of filing the Income Tax Return by the Shareholder. No claim shall lie against the Company for such Taxes deducted.

In case of any queries, the Shareholders may send an email to M/s Alankit Assignments Limited at rta@alankit.com or cs@cpil.com.

Thanking You.
Yours faithfully,

For Chandra Prabhu International Limited

Sd/-

Gajraj Jain

Chairman Cum Managing Director

DIN: 00049199

Disclaimer: The information set out hereinabove is included for general information purpose only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.