

CHANDRA PRABHU INTERNATIONAL LIMITED

CIN L51909DL1984PLC019441



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CORPORATE OFFICE: 1512, 15TH FLOOR, GALLERIA TOWERS, DLF PHASE-IV, GURUGRAM-122009 (HR)
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To,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

Date: 08/09/2022

BSE Scrip Code No.: 530309

Sub: Submission of Communication to Shareholders on Tax Deduction at Source on Final Dividend for the F.Y 2021-22.

Dear Sir/Madam,

As informed previously, the Board of Directors of the Company at its meeting held on Wednesday, May 25, 2022 has recommended the Final Dividend of Rs. 1.50/- per Equity Shares of Face Value of Rs. 10/- each, for the Financial Year 2021-22, subject to approval of Shareholders at the ensuing Annual General Meeting of the Company.

Pursuant to the provision of Income Tax Act, 1961 as amended from time to time, final dividend for the Financial Year 2021-22 to be paid or distributed by the Company shall be taxable in the hands of the Shareholders, as prescribed therein.

In this regard, please find enclosed herewith an e-mail communication made to the Shareholders having their e-mail id registered with the Company/Depositories elaborating the process to be followed in respect of the applicability of Tax deduction and formalities to be complied by the Shareholders to ensure appropriate deduction of tax on the dividend payable.

The same is also being made available on the Company's website at www.cpil.com.

You are requested to kindly take note of the same and disseminate appropriately.

Thanking You,

Your's faithfully,

For CHANDRA PRABHU INTERNATIONAL LIMITED

KOMAL

Digitally signed by KOMAL
DN: cn=KOMAL, c=IN, st=HARYANA,
o=CPIL INTERNATIONAL,
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Date: 2022.09.08 13:44:05 +05'30'

**KOMAL
COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl.: as above

CHANDRA PRABHU INTERNATIONAL LIMITED

Regd. Office: 14, Rani Jhansi Road New Delhi-110055
Corporate office: 1512, Fifteen 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 2021-22 under Section 194/195/196D of the Income Tax Act, 1961 (the Act)

The Board of Directors of the Company at its Meeting held on 25th May, 2022, has recommended a Final dividend of Rs. 1.50 (Rupees One Rupee and Fifty Paise) per equity share having Face Value of Rs. 10 each for the financial year ended March 31, 2022.

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 2021-22 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) under sections 194/195/196D of the Act 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%	<p>Update valid PAN, if not already done, with Depositories (in case of shares are held in the demat mode) and with the Company's Registrar and Transfer Agent – Alankit Assignments Limited (in case shares are held in the physical mode).</p> <p>No deduction of taxes in the following cases-</p> <ul style="list-style-type: none"> • If dividend income to a <u>resident Individual shareholder</u> during FY 2022-23 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 Form 15G/Form 15H	NIL	<p>Resident Individual Shareholder: Submit 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.</p>
Mutual Funds specified under clause (23D) of section 10 of the Act	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) 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 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.
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	Declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt and accordingly, is covered under section 196 of the Act, along with self-attested copy of registration certificate and relevant extract of the section whereby the income is exempt from tax 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	20%	Shareholders should update the PAN if not

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)		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).
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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

			<p>connected to any Permanent Establishment (PE) or Fixed Base in India.</p> <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 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.</p>
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	<p>i. Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities</p> <p>ii. Self-attested copy of PAN</p> <p>iii. Company's Tax Deduction Account No. [TAN] which is required for applying for Lower / NIL Rate.</p>
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.

Kindly note that *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> or emailed to rta@alankit.com or cs@cpil.com .*

Notes:

1. In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for tax deducted at source in Form 16A. The credit for tax deducted at source can also be verified by the Shareholder by verifying Form 26AS, after the statement of tax deducted at source is furnished by the Company and thereafter Annual Information Statement (Form 26AS) is updated.
2. In case of any further dividend which is paid in the FY 2022-23 and considering the amount of dividend payments made earlier, if the aggregate dividend pay-out exceeds Rs. 5,000/- then, from the subsequent payment of dividend, the tax on the current as well as on earlier amount of dividend will be deducted and accordingly, the balance amount of dividend will be paid to the concerned Individual Shareholder.
3. Reference is drawn to Circular No. 18/2017 dated May 29, 2017, issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of TDS in case of entities whose income is exempt under section 10 of the Act.
4. In case dividend income under the provisions of the Act is chargeable to tax in hands of any other person other than the Registered Shareholder, then, a declaration to that effect is required to be submitted in terms of section 199 of the Act read with Rule 37BA of the Income Tax Rules, 1962. On such submission, the Company will deduct tax in the name of such person, which would be due compliance of law on the part of the Company.
5. 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.
6. The Company, in compliance with the provisions of the Act, will allot unique identification number and the declarations will be furnished along with the statement of deduction of tax to the income tax authority.
7. Needless to mention, PAN will be mandatorily required. **In absence of PAN / Valid PAN, tax will be deducted at a higher rate of 20% as per section 206AA of the Act even if the amount of dividend payable on the shares is Rs. 5,000 or less.**
8. **Compulsory linking of PAN and Aadhar by all holders of shares in Physical mode**

In terms of Notification dated March 29, 2022, and a Press Release dated March 30, 2022, the Central Board of Direct Taxes (CBDT) has extended the deadline to link PAN with the Aadhaar to March 31, 2023, from the earlier deadline of March 31, 2022. Thus, the impact of the same on the holders of shares in physical mode is as under (in terms of circular:

SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, and other subsequent applicable SEBI circulars and notifications) :

(i) All existing shareholders in physical to take steps to link their PAN with their Aadhar Card by 31st March 2023.(or such other date as CBDT may specify)

(ii) A “Valid PAN “means it is linked with the Aadhar card.

(iii) RTAs shall accept only valid PANs and also verify the validity of the PANs in the existing Folios. RTAs have been authorized to use the PAN BULK VERIFICATION(PBV) facility from the service providers of the Income Tax Dept.

(iv) The Folios in which PAN is/are not valid as on 1st April 2023 (or any other date which the CBDT may prescribe in this regard) SHALL BE FROZEN.

10. TDS to be deducted at higher rate in case of non-filers of Return of Income as per section 206AB of the Act which requires the Company to deduct tax at higher of the following rates in case of a 'specified person':

i. At twice the rate specified in the relevant provision of the Act; or

ii. At twice the rates or rates in force; or

iii. At the rate of 5%; or

iv. At the rate of 20%, if section 206AA is applicable

The term 'specified person' means a person who :

· has not filed return of income for the assessment year relevant to the previous year 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

· is subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000/- or more in the said previous year.

A non-resident who does not have a permanent establishment is excluded from the scope of a specified person. Accordingly, non-resident shareholders are requested to provide declaration in format-10 attached herewith if they do not have permanent establishment and hence should not be considered as specified person.

The Income Tax Department has through the reporting portal utility, made available the list of 'specified person' for the purpose of section 206AB which shall be obtained at the time of deduction of TDS and accordingly, for those Shareholders who are classified as a specified person under section 206AB, TDS on the dividend amount will be deducted at higher rate of 20%.

11. The provisions of the tax treaty rate shall be applied even if tax is deductible under section 196D. Therefore, under both sections i.e. section 195/196D, the treaty provisions can be applied, subject to submissions of documents as mentioned above. However, the Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts, if the completeness of documents submitted by the non-resident Shareholder is not to the satisfaction of the Company, including not in accordance with the provisions of the Act. The Company, in compliance of section 195 of the Act, will furnish information relating to the payment of dividend and deduction of tax at source thereon in Form 15CA by the Company and 15CB by a Chartered Accountant, as applicable.

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

13. The above is only to facilitate the Shareholder so that appropriate TDS is deducted on the dividend amount in accordance with the applicable provisions of the Act.

14. In cases where the status of a shareholder is appearing in the company's records as resident as well as non resident against different folios/D.P id-Client id, the Company would treat the status of the shareholder as "Non-resident". Accordingly, tax will be deducted at the rate applicable to a non-resident based on documents made available to the Company.

15. Kindly note that the aforementioned documents are required to be mailed at rta@alankit.com or cs@cpil.com on or before 20th September, 2022 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.

Further, it may be noted that:

1. In terms of section 139A of the Act, it is mandatory to quote PAN if tax is deductible on the dividend amount at source under section 194 of the Act. Such non-quoting shall attract penalty of Rs. 10,000/- under section 272B of the Act.

2. SEBI has mandated the submission of PAN by every participant in the securities market.

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.

Accordingly, Shareholders holding shares in demat form are once again requested to submit/Update their PAN with the respective Depository Participants (DPs) with whom they maintain their demat accounts. Shareholders holding shares in physical form are requested to submit written request in the prescribed Form ISR- 1 (can be downloaded in the company's website: www.cpil.com) to the RTA of the Company, Alankit Assignments Limited either by email to rta@alankit.com or cs@cpil.com or by post to Alankit House, 4E/2 Jhandewalan Extension New Delhi-110055. In case of failure to do so, it shall be presumed that you don't have PAN under the Act.

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.

We seek your co-operation in the matter.

Thanking You.

Yours faithfully,

For Chandra Prabhu International Limited

Sd/-

Gajraj Jain

Chairman Cum Managing Director

DIN: 00049199

(1) Form 15H - [From 15H Download Here](#)

(2) Form 15G - [From 15G Download Here](#)

(3) Form 10F - [From 10F Download Here](#)

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.