



**RPG LIFE SCIENCES**  
An  **RPG** Company  
**RPG LIFE SCIENCES LIMITED**

**CIN:** L24232MH2007PLC169354

**Registered Office:** RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030

**Website:** [www.rpglifesciences.com](http://www.rpglifesciences.com); **Email:** [investorservices@rppls.com](mailto:investorservices@rppls.com)

**Tel No.:** [022-24981650](tel:022-24981650); **Fax No.:** [022-24970127](tel:022-24970127)

June 1, 2021

Name:

**Ref: Folio No./ DP- CL ID:**

**Subject: Communication to Shareholders on Tax Deduction at Source/ Withholding Tax on Dividend**

Dear Shareholder,

At the outset, we hope you are healthy and safe.

We are pleased to inform you that the Board of Directors at its Meeting held on Friday, April 30, 2021 have recommended payment of final dividend of Rs.7.20 (90%) per equity share of face value of Rs. 8/- each for the financial year ended March 31, 2021, subject to approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

As you may be aware, in terms of the provisions of the Income Tax Act, 1961 (“the Act”), final dividend for the financial year 2020-21 to be paid or distributed by the Company in the financial year 2021-22 shall be taxable in the hands of the shareholders. The Company would be required to deduct / withhold taxes at the prescribed rates on the dividend to be paid to its shareholders. The tax deduction / 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 final dividend will be paid after deducting the tax at source / withholding tax including applicable surcharge and cess as notified from time to time under the Act.

All the shareholders are requested to ensure that their details with reference to valid Permanent Account Number, Residential status as per the Act i.e. Resident or Non-Resident as applicable, Category of their account as per the PAN, email / postal address, Bank Account details are complete / updated, as applicable, in their account maintained with Depository Participant (in case of Shares held in dematerialised form) and in case of shares held in physical form, complete / update the said details with Link Intime India Private Limited, the Company’s Registrar & Share Transfer Agent (“RTA”).

This communication provides details of the applicable Tax Deduction at Source/ Withholding Tax provisions under the Act for Resident and Non-Resident shareholder categories as under:

#### **A. For Resident Shareholders:-**

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during FY 2021-22 does not exceed INR 5,000. Tax deduction will be subject to the below requirements:

#### **Where, the Permanent Account Number ('PAN') is available and such PAN is valid / operative as per the provisions of the Act:**

In accordance with Section 194 of the Act, for resident shareholders where tax is deductible at source under this provisions of the Act, TDS shall be applied from the dividend amount at rate of 10% except for shareholders who have not registered their valid PAN or for individual shareholders whose PAN is considered inoperative, if Aadhaar is not linked with their PAN or for resident shareholders who have not filed its return of income for two consecutive previous years and aggregate taxes deducted at source exceeds INR 50,000 in each of the two previous years, (effective from July 1, 2021) to be verified by the Company from the Government enabled online facility.

The above TDS will be applied by the Company unless exempt under the provisions of the Act and subject to furnishing of the following self-certified documents:

- i. **Form 15G/15H in the case of eligible Resident Individual shareholders:** No TDS shall be applied in the case of a resident individual shareholder if the shareholder provides duly signed Form 15G (applicable to an individual below the age of 60 years) or Form 15H (applicable to an individual of the age of 60 years and above), provided that all the prescribed eligibility conditions are met (Format of declaration forms are attached as **Annexure 1** and **Annexure 2** respectively).
- ii. **Insurance companies:** Documentary evidence (PAN and registration certificate along with self-declaration in the format attached as **Annexure 3**) that the provisions of section 194 of the Act are not applicable to them (self-attested by the competent authority with affixed stamp).
- iii. **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is covered under Section 196 of the Act. (Format of declaration form is attached as **Annexure 3**).
- iv. **Alternative Investment Fund (AIF) established in India:** Self- declaration that its dividend income is not chargeable under the head 'Profit and Gains of Business or Profession' and exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. (Format of declaration form is attached as **Annexure 3**).
- v. **Entities Exempt under Section 10 of the Act:** In case of resident non-individual shareholders, if the income is exempt under the Act , the authorized signatory shall submit the declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS (Format of declaration form is attached as **Annexure 3**);
- vi. **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 - Documentary evidence that the person is covered under Section 196 of the Act.
- vii. **Beneficial ownership:** In case of equity share(s) held in the Company as a beneficiary; and are not subject to TDS under Section 196 of the Act, the person shall submit self-attested copy of the

documentary evidence supporting the exemption status along with self-attested copy of PAN card (Format of declaration form is attached as **Annexure 3**).

- viii. **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. (Format of declaration is attached as **Annexure 4**). This declaration should be shared within 4 days from the record date as may be intimated by the Company. Kindly note that no declaration shall be accepted after 4 days from the record date.

Where a shareholder furnishes a valid Nil or lower tax rate deduction certificate under Section 197 of the Act, TDS will be applied as per the rates prescribed in such certificate.

#### **B. For Non-Resident Shareholders:**

1. Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force and as per Section 196D of the Act. As per the provisions of the Act, the tax shall be withheld @ 20% (plus surcharge and cess, as applicable) on the amount of dividend payable.
2. As per Section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:
  - a. Copy of Permanent Account Number (PAN), if available.
  - b. Self-attested copy of Tax Residency Certificate ('TRC') issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during FY 2021-22.
  - c. Completed and duly signed Self-Declaration in Form 10F (Format of the declaration is attached as **Annexure 5**).
  - d. Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder (Format of the declaration is attached as **Annexure 6**).

The Company will apply at its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident shareholders.

3. Where a shareholder furnishes valid nil / lower withholding tax certificate under Section 195/ 197 of the Act, withholding tax will be applied as per the rates prescribed in such certificate.

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.

### **C. For all Shareholders**

The shareholders are requested to submit the aforementioned documents on or before June 30, 2021 to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email them at [rpglsdivtax@linkintime.co.in](mailto:rpglsdivtax@linkintime.co.in)

Documents received by Post, Courier or from registered email ID will only be accepted. In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

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 you, option is available to you to file the return of income as per the Act and claim for a credit / appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted. Shareholders, whose valid PAN is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometaxindiaefiling.gov.in>

We request your cooperation in this regard.

Thanking you,

Yours faithfully,

**For RPG Life Sciences Limited**

**Sd/-**

**Rajesh Shirambekar**

Head – Legal & Company Secretary

Disclaimer: The information set out herein above is included for general information purposes 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.

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