



## UTTAM SUGAR MILLS LIMITED

[Corporate Identity Number (CIN) : L99999UR1993PLC032518]

Regd. Office: Village Libberheri, Tehsil Roorkee, District Haridwar, Uttarakhand - 247667

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Date : 26.08.2022

**Subject: Communication of Tax Deducted at Source (TDS) on Dividend (under Section 194/195/196D of the Income Tax Act, 1961)**

Dear Member(s),

Ref: Folio / DP Id & Client Id No: 0000039

Name of the Member(s): Sudesh Kumari

Dear Member,

This is to inform you that the Board of Directors of Uttam Sugar Mills Limited (the “Company”) at its meeting held on 16<sup>th</sup> May, 2022 has recommended a dividend of Rs. 2/- (i.e. 20%) per equity share of the face value of Rs. 10/- each fully paid-up for the Financial Year 2021-22, subject to the approval of members of the Company at **Annual General Meeting scheduled to be held on 23<sup>rd</sup> September, 2022**. The said dividend will be payable to those members whose names appear in the Register of Members of the Company on the cut-off date i.e. 16<sup>th</sup> September, 2022.

In accordance with the provisions of the Income-tax Act, 1961 (“IT Act”), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (“TDS”) from dividend paid to the members at the applicable rates.

This communication summarizes the applicable TDS provisions in accordance with the provisions of the IT Act, for various member categories, including Resident or Non-Resident members.

### For Resident Members:

For Financial Year 2022-23 (Dividend F.Y.2021-22), taxes shall be deducted at source under Section 194 of the IT Act as follows:-

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN (not registered) / invalid PAN/ Specified persons* as per Section 206AB	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a Resident Members (Individual), if the total dividend to be received by them during Financial Year 2022-23 (Dividend F.Y. 2021-22) does not exceed Rs. 5,000 and also in cases where members provide Form 15G (given in the link)/ Form 15H

(given in the link) (as may be applicable) subject to conditions specified in the IT Act. PAN is mandatory for members providing Form 15G / 15H. **Where the PAN is either not registered or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or @ 20%.**

\*For Shareholders who are identified as “Specified Persons” under Sec 206AB of the IT Act, higher tax rate as applicable would be deducted if

- Shareholder has not filed the returns of income for the assessment year relevant to the previous year immediately before the previous year in which tax is required to be deducted/collected.
- Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more for the said previous year.

For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly.

#### **Resident Shareholders (Other than Individuals):**

The TDS for Resident shareholders (other than individuals) along with required documents are provided in Table below:

<b>Category of Shareholder</b>	<b>Tax Deduction Rate</b>	<b>Exemption Applicability/ Documents required</b>
Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable to them: 1. PAN 2. Registration certificate along with 3. Self-declaration given in <b>Annexure 3</b>
Mutual Funds	NIL	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 along with Self-declaration given in <b>Annexure 3</b>
Alternative Investment fund (AIF) established/ incorporated in India	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 (OR) 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 the following documents 1. Self-attested copy of the PAN card 2. Registration certificate 3. Self-declaration given in <b>Annexure 3</b>
Recognized Provident Fund	NIL	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 along with Self-declaration given in <b>Annexure 3</b>
Approved	NIL	Self-attested copy of valid approval granted by the Commissioner

Superannuation Fund / Approved Gratuity Fund		needs to be submitted : a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in <b>Annexure 3</b>
National Pension Scheme	NIL	Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with Self-declaration given in <b>Annexure 3</b>
Entities exempt under Section 10 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration given in <b>Annexure 3</b> duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in <b>Circular No.18 of 2017</b> )
Corporation established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income-tax on its income including entities in which such corporations are the beneficial shareholders	NIL	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration given in <b>Annexure 3</b> .
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Benefit under Rule 37BA	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Member/ 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 given in <b>Annexure 4 along with Appendix A</b> .
Other resident shareholders without PAN/Invalid PAN/ Deleted PAN/ non-compliance of Section 206AB	20%	

**For Non-Resident Members:**

1. Tax shall be deducted/withheld at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.
2. However, non-resident members have an option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the members, if such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident member should furnish the following documents to the Company’s Registrar and Transfer Agent (“RTA”) i.e. **M/s. Link Intime India Private Limited** by 15.09.2022.

- a. Self-attested copy of Permanent Account Number (PAN) if allotted to you, by the Indian Income Tax Authorities. If PAN is not allotted to you, please provide your email address, contact number and address in the country of residence along with documentary evidence of such address;
- b. Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority or tax authority of the country of your residency, evidencing and certifying your tax residency status in the country of residency during the Financial Year 2022-23;
- c. Completed and duly signed Form 10F in the format given in the link;
- d. Self-declaration in the format given in the link, certifying that –
  - i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2022-23;
  - ii. You are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. You have no reason to believe that your claim for the benefits of the DTAA is impaired in any manner;
  - iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; and
  - v. You do not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23.

3. Rate as per Submitting Order under section 195(3) /197 of the Act obtained from Income Tax authorities

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

**For all members who are seeking exemption from tax on dividend:**

The aforementioned documents (duly completed, signed and scanned) shall be submitted to our RTA, Link Intime India Private Limited by clicking the URL <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 15.09.2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable. No communication on the tax determination/deduction shall be entertained after 15.09.2022.

**Please note that all the Tax related documents should be uploaded through above link only and documents (if sent) on other email ids will not be entertained.**

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).

Link for Annexures as mentioned above are given below:

[Annexure 1 - Form 15G](#)

[Annexure 2 - Form 15H](#)

[Annexure 3 - Declaration of Category of Shareholder](#)

[Annexure 4 – TDS Declaration Format under Rule 37BA](#)

[Annexure 5 - Form 10F](#)

[Annexure 6 – Declaration regarding Tax Residency](#)

[Appendix A for Rule 37BA](#)

Members may please note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, non-compliance of prescribed procedure or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per IT Act and claim appropriate refund, if eligible. 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.incometax.gov.in/iec/foportal/>

We request your cooperation in this regard.

**Thanking You**

**Yours faithfully**

**For UTTAM SUGAR MILLS LIMITED**

**Sd/-  
(RAJESH GARG)  
Joint Company Secretary & Compliance Officer  
Membership No. FCS5841**

*Disclaimer: This communication is not to be treated as advice from the Company or its affiliates or Link Intime India Private Limited. Members should obtain the tax advice related to their tax matters from a tax professional.*

Please note that this communication is applicable only if you are an eligible member to receive dividend as on the cut-off date i.e. 16<sup>th</sup> September, 2022.

**Note: This is a system generated email. Please do not reply to this email.**