



## SKIPPER LIMITED

CIN: L40104WB1981PLC033408

Registered Office: 3A, Loudon Street, Kolkata – 700 017, West Bengal, India

Phone: 033- 22895731, Fax: 033-22895733, Email - [investor.relations@skipperlimited.com](mailto:investor.relations@skipperlimited.com)

Website: [www.skipperlimited.com](http://www.skipperlimited.com)

### COMMUNICATION ON TDS ON DIVIDEND DISTRIBUTION

Dear Member,

The Board of Directors of the Company at its Meeting held on 4<sup>th</sup> May, 2021 have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each, fully paid up for the Financial Year ended 31 March, 2021. This dividend will be paid/dispatched within a period of 30 days after declaration of the dividend at the Annual General Meeting of the Company scheduled to be held on Tuesday, 28<sup>th</sup> September, 2021.

The Share Transfer Books and Register of Members of the Company will remain closed from 22<sup>nd</sup> September, 2021 to 28<sup>th</sup> September, 2021 (both days inclusive) for the purpose of the AGM and payment of dividend.

In accordance with the provisions of the Income Tax Act, 1961 read with the provisions of the Finance Act, 2020, with effect from 1<sup>st</sup> April, 2020, the Company would be required to apply withholding tax/deduct taxes at source (TDS) 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 as acceptable to the Company.

This communication summarizes 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:

Sl. No.	Particulars	Applicable Rate	Documents required (if any)
(a)	No TDS shall be deducted in the case of resident individual members, if the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed Rs. 5,000.	NIL	NA
(b)	With PAN	10%	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents i.e Maheshwari Datamatics Private Limited (in case of shares held in physical mode). The PAN can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/pan-update">http://mdpl.in/form/pan-update</a> .
(c)	Without PAN/Invalid PAN	20%	NA
(d)	Submitting Form 15G/Form 15H	NIL	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 certain conditions. For claiming exemptions, the said forms can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/15g-15h">http://mdpl.in/form/15g-15h</a> .
(e)	Submitting Order under Section 197 of the Income Tax Act, 1961	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority to be submitted to claim the revised rates. The said certificate/order can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/certificate-u-s-197">http://mdpl.in/form/certificate-u-s-197</a> .
(f)	Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	NIL	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. The required documents can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/mutual-fund">http://mdpl.in/form/mutual-fund</a> .
(g)	An Insurance Company exempted under Section 194 of the Income Tax Act, 1961	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it and documentary evidence that the provisions of section 194 of the Act are not applicable to them along with Self attested PAN. The required documents can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/insurance-company">http://mdpl.in/form/insurance-company</a> .
(h)	Alternative Investment Fund (AIF) established in India	NIL	Documentary evidence to prove that Investment Fund is a fund as defined in clause (a) of the Explanation 1 of section 115UB of the Act and Declaration that Dividend Income is exempt under Section 10 (23FBA) of the Act. The required documents can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/alternative-investment">http://mdpl.in/form/alternative-investment</a> .

## 2. For Non-Resident Members:

Sl. No.	Particulars	Applicable Rate	Documents required (if any)
(a)	TDS shall be Deducted/Withheld	20% (plus applicable surcharge and cess)  (*twice the applicable rate would be applicable in case the shareholder: a) has not filed his income tax return for the previous two financial years and the TDS deducted in its case	NA

		<p>exceeds Rs 50,000 in each of these two years; and b) the shareholder has a permanent establishment in India)</p> <p><b>[Refer note no. ii in other important instructions]</b></p>	
(b)	Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)	<p>20% (plus applicable surcharge and cess)</p> <p>(*twice the applicable rate would be applicable in case the shareholder: a) has not filed his income tax return for the previous two financial years and the TDS deducted in its case exceeds Rs 50,000 in each of these two years; and b) the shareholder has a permanent establishment in India)</p> <p><b>[Refer note no. ii in other important instructions]</b></p>	NA
(c)	Other Non-resident shareholders	<p>20% (plus applicable surcharge and cess)  <b>OR</b>          Tax Treaty Rate**  <b>(whichever is lower)</b></p> <p>(*twice the applicable rate would be applicable in case the shareholder: a) has not filed his income tax return for the previous two financial years and the TDS deducted in its case exceeds Rs 50,000 in each of these two years; and b) the shareholder has a permanent establishment in India)</p> <p><b>[Refer note no. ii in other important instructions]</b></p>	<p>Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent i.e Maheshwari Datamatics Private Limited (in case of shares held in physical mode).</p> <p>In order to apply the Tax Treaty rate, <b>ALL</b> the following documents would be required:</p> <ol style="list-style-type: none"> <li>1) Copy of Indian Tax Identification number (PAN).</li> <li>2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident certifying status during Financial Year 2020-21.</li> <li>3) Form 10F duly filled and signed (Format attached herewith).</li> <li>4) Self-declaration from Non-resident, primarily covering the following: <ul style="list-style-type: none"> <li>- Non-resident is eligible to claim the benefit of respective tax treaty.</li> <li>- Non-resident receiving the dividend income is the beneficial owner of such income.</li> <li>- Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India (Format attached herewith).</li> </ul> </li> </ol>

			The required documents can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/10f">http://mdpl.in/form/10f</a> .
(d)	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 to be submitted. The required documents can be submitted online by clicking on the following link: <a href="http://mdpl.in/form/certificate-u-s-197">http://mdpl.in/form/certificate-u-s-197</a> .

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 of the documents submitted by Non-Resident member.

Tax shall be deducted at source at the rate of 20% (plus applicable surcharge and health and education cess) on dividend payable to Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI). Such TDS rate shall not be reduced on account of the application of the beneficial DTAA Rate or lower tax deduction order, if any.

#### **Other Important Instructions:**

- i) **Section 199 of the Income Tax Act ('the Act'), read with Rule 37 BA of the Income Tax Rules, 1962 ('the Rules')** inter alia states that if the income on which tax has been deducted at source is assessable in the hands of a person other than deductee, credit of the tax deducted at source shall be given to the other person and not to the deductees.

Therefore, in case the shares are held by the member on behalf of any other person, then the deductee shall submit a declaration mentioning the name, address, permanent account number of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person. Only after receipt of such declaration, the deductor shall report the tax deduction in the name of the other person and shall issue the certificate for deduction of tax at source in the name of the other person, whose name is mentioned in the declaration. **The shareholders are requested to submit the necessary documents within Tuesday, 21<sup>st</sup> September, 2021 at [investor.relations@skipperlimited.com](mailto:investor.relations@skipperlimited.com)**

- ii) The Finance Act 2021 has introduced a new section 206AB with effect from 1<sup>st</sup> July, 2021, which introduces special provision for TDS in respect of tax payers who have not filed their income-tax returns (referred to as specified persons). Under section 206AB of the Act, tax is to be deducted at **higher of the followings rates** in case of payment to the specified persons-
- twice the rate as specified under the relevant provision of the Income Tax Act or
  - twice the rate/rates in force; or
  - at the rate of 5%

#### **Specified person means:**

- who has not filed the returns of income for two assessment years 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 of the Act has expired; and
- where the aggregate of tax deducted at source and tax collected at source in the person's case is INR 50,000 or more in each of these two previous years.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a "Specified person".



Please note that the information regarding whether a shareholder is a specified person or not will be downloaded through the functionality of the Income Tax Department. Accordingly it is advised that the non-residents, who have not filed their returns in the past years, to provide a declaration stating that they do not have any Permanent Establishment (PE) in India.

- iii) In view of the continuing COVID 19 situation, only scanned copies of the aforementioned tax relief documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidence etc. will be accepted by the Company through the link given above. The documents (duly completed and signed) are required to be submitted by uploading the documents on the link. **The shareholders are requested to submit the necessary documents within Tuesday, 21<sup>st</sup> September, 2021. All the links given above will be disabled thereafter.**
- iv) Members 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.
- v) 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.
- vi) Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted.**
- vii) The Company is obligated to deduct tax at source based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited ("the Depositories") in case of shares held in electronic mode and from the RTA in case of shares held in physical mode and no request will be entertained for revision of TDS return.
- viii) 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 Final 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>.

*Disclaimer: This Communication is not to be treated as an advice from the Company or its affiliates or the Registrar and Share Transfer Agent. Members should obtain independent tax advice related to their tax matters from a tax professional.*

Yours sincerely,

**For Skipper Limited**

Sd/-  
**Manish Agarwal**  
**Company Secretary**