

PONNI SUGARS (ERODE) LIMITED

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their meeting held on May 29, 2020 have recommended Dividend of Rs.4 per Equity Share of Rs.10/- each (40%) for the Financial Year ended March 31, 2020.

As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company would accordingly deduct tax at source at the time of making the payment of the dividend, if declared at the Annual General Meeting of the Company to be held on 19th August 2020.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders

Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company is required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate varies, depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. Accordingly, the above referred Dividend will be paid after deducting the tax at source as follows:

Particulars	Applicable Rate	Documents required (if any)
With PAN	7.5%*	Update the PAN, if not already done, with the Depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents –Cameo Corporate Services Ltd (in case of shares held in physical mode).
Without PAN/ Invalid PAN	20%	
Submitting Form 15G/ 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. Please download Form 15G / 15H from the Income Tax website www.incometaxindia.gov.in
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.
Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable)	NIL	Documentary evidence that the said provisions are not applicable.
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	NIL	Documentary evidence that the person is covered under said Section 196 of the Act.

*** Notwithstanding the above, no tax would be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2020-21 does not exceed • 5,000.**

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II. Non-Resident Shareholder

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	None
Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower)	In order to apply the Tax Treaty rate, following documents would be required: 1) Copy of Indian Tax Identification number (PAN), if available 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident 3) Form 10F duly filled and signed – available in the Income Tax website www.incometaxindia.gov.in 4) Self-declaration from Non-resident, primarily covering the following: - 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.
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.

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

The aforesaid documents, as applicable, should be received by email to investor@cameoindia.com on or before 11.59 PM (IST) on 05.08.2020 to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

No communication on the tax determination/deduction received post 05.08.2020 shall be considered for payment of Dividend.

If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/ documents, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

No claim shall lie against the Company for such taxes deducted.

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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 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>

We request your cooperation in this regard.

C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY

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.

The aforementioned documents are required to be emailed as mentioned below:

Resident shareholders to send to	:	investor@cameoindia.com
Non-Resident shareholders to send to	:	investor@cameoindia.com

These documents should reach us on or before 05.08.2020 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post 05.08.2020. It may be further noted that in case the tax on said Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

Thanking you

N Ramanathan
Managing Director