



PONNI SUGARS (ERODE) LIMITED

Partnering with Paper to Prosperity

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11.05.2024

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their meeting held on April 26, 2024 have recommended Dividend of Rs.7.00 (Rupees seven only) per Equity Share of Rs.10/- each (70%) for the Financial Year ended March 31, 2024.

As per the Income Tax Act, 1961, (the Act), dividend paid or distributed by a company is taxable in the hands of the shareholders. Further, 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.

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

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%*	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/ Inoperative 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 at: Link to download Form 15-G: https://ponnisugars.com/assets/images/Income-Tax/15g.pdf Link to download Form 15-H: https://ponnisugars.com/assets/images/Income-Tax/15h.pdf
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax order 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 for FY 2024-25 does not exceed Rs.5,000.**

Note:

- (i) **Specified Person:** As per section 206AB, a specified person means a person who has not furnished their return of income for the previous year immediately preceding the financial year in which tax is required to be deducted and for which the time limit for furnishing the return of income under section 139(1) of the Act has expired and the aggregate of tax deducted at source and collected at source is rupees fifty thousand or more in the said previous year. Accordingly, applicable tax deduction rates for specified person would be double the prescribed rates. For Resident specified shareholder it would be 20%.
- (ii) **Non linkage of PAN with Aadhar:** As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act.

II. Non-Resident Shareholder

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/ Other non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** whichever is lower (twice of the applicable rate as mentioned above would	Non-resident shareholders may opt for a tax rate under the Double Taxation Avoidance Agreement ('Tax Treaty'). The tax treaty rate shall be applied for tax deduction at source on submission of the following documents to the Company: 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

	apply to those shareholders who qualify as specified persons as per the provision of section 206AB of the Act)	3) Form 10-F duly filled and signed – You can download at https://ponnisugars.com/assets/images/Income-Tax/10f.pdf or from Income Tax website at https://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 with-holding tax order)	Rate provided in the Order	Lower / NIL withholding tax order obtained from income 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. Tax shall be deducted at 20% (plus applicable surcharge and education cess) in case any of the above-mentioned documents are not provided.

Note:

(i) **Specified person:** For Non-Resident specified shareholders (who has not furnished a declaration stating no permanent establishment in India) the tax deduction rates would be 40% plus applicable surcharge and cess as prescribed under the Act.

Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly. It may be noted that as per section 206AB, the specified persons shall not include a non-resident who does not have a permanent establishment in India.

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.

III. General

(1) The aforesaid documents, as applicable, should be received by email on or before 11.59 PM (IST) on 24.05.2024 to:

Resident shareholders send to : investor@cameoindia.com

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

(2) No communication on the tax determination/deduction received post 24.05.2024 shall be considered for payment of Dividend.

(3) 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.

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

(5) 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.

(6) In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

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

Shareholders holding shares under multiple accounts under different status / category linked to single PAN may note that higher of the tax as applicable to the status in which shares are held will be considered on their entire holding in different accounts.

We request your cooperation in this regard.

Thanking you,

For Ponni Sugars (Erode) Limited

R Madhusudhan
Company Secretary

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.