EPL LIMITED

(Formerly known as Essel Propack Limited)
Regd. Off.: P.O. Vasind, Tal. *Shahapur*, Dist. Thane, Maharashtra 421604, India.

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2 June 2021

Reg.: Tax deductible at source (TDS) on Dividend and update email

Dear Shareholder

You may note that pursuant to Finance Act 2020, dividend income is now taxable in the hands of shareholders and accordingly the Company is required to deduct tax at source (TDS) from dividend being paid to shareholders at the prescribed rate. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act 1961 (the Act) or consult tax professional.

The Shareholders should submit the relevant form, declaration etc every financial year as mentioned in this communication, in original to the Company at its Corporate Office address as mentioned at the top of this letter and should be addressed to the Company Secretary. Shareholders are requested to note that while submission of original form may be mandatory for audit purpose, they must also submit the said documents by sending email on Epl.dividendtds@eplglobal.com or tds@bigshareonline.com five days before date of AGM or record date for dividend as intimated to Stock Exchange or contact Secretarial Department in this respect. Please mention your folio / demat account number, contact detail etc in all your communication.

Alternatively, the shareholders can make an online submission of Forms and documents on https://www.bigshareonline.com/dividendTDS.aspx for better control and to avoid error or omission.

In order to enable us to determine the appropriate TDS / withholding tax rate applicable, it is advisable that the shareholders send the documents well in advance.

It may be further noted that in case the tax on Dividend is deducted at a normal or prescribed rate in absence of receipt of the documents or details as mentioned in this Letter, there would still be an option available with shareholders to file the return of income and claim an appropriate refund, if eligible.

Resident Shareholders

In case of resident shareholders, section 194 of the Act provides for deducting tax at source (TDS) on dividend at prescribed rate.

Shareholders are requested to note that in case their PAN is not registered with the Company/Share Transfer Agent/DP, the tax will be deducted at a higher rate of 20%. Please refer on www.eplglobal.com for process about registration of PAN.

Resident shareholders, being an individual, whose total dividend income in a financial year exceed Rs. 5,000 and who wish to receive dividend without deduction of TDS may submit a declaration in Form No. 15G/15H. Said form can also be downloaded from the Company's website www.eplglobal.com or website of Income Tax Department or www.bigshareonline.com or https://www.bigshareonline.com/Resources.aspx

Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY does not exceed ₹5,000.

Higher TDS in certain cases

Shareholders are requested to ensure Aadhaar number is linked with PAN, as per the timelines prescribed, which at present is 30.06.2021 in terms of section 139AA of the Act read with rule 114AAA. In case of failure of linking Aadhaar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%.

The Finance Act 2021 has *inter alia* inserted section 206AB in the Act wef 1 July 2021 which requires the Company to deduct tax at higher rate viz 20% or twice of rate in force, in case of "specified person". Shareholders may refer relevant provisions of the Income Tax Act for relevant rate or provisions.

"specified person" means person who has: (a) not filed return of income for two assessment years relevant to the two previous 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 section 139(1) has expired, and (b) subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in each of such two immediate previous years.

For ascertainment of the applicability of section 206AB, all the resident shareholders are required to file a declaration in this respect. Format of the declaration is available www.eplglobal.com or www.bigshareonline.com

Non-resident shareholders

In case of non-resident shareholders including foreign companies, FPIs, FIIs etc, the Act provides for withholding tax at the prescribed rate plus applicable surcharge and cess. Effective rate would vary depending on amount of dividend.

Non-resident shareholders can avail beneficial withholding tax rate available under the Double Taxation Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions, if any, between India and the country in which the non-resident is considered resident in terms of such DTAA read with MLI.

In order to claim benefit under DTAA, the non-resident shareholders would be required to submit the following documents each financial year on or before the date indicated beginning of this Letter.

a) Tax Residency Certificate (TRC) issued by the Tax or Government authority of the country in which the Non-Resident shareholder is a resident of (valid for the relevant financial year).

b) Form 10F containing therein information to be provided under section 90(5)/ 90A(5) of the IT Act, if not so covered in TRC (Valid for the relevant financial year).

c) Certified copy of permanent Account Number (PAN) issued by Indian Authority.

d) Declaration from shareholders stating the following (template available at on the website of the Company)

- That the shareholder did not at any time during the relevant year have a permanent establishment in India.
- That the shareholder is the beneficial owner of the dividend.
- That the construct and affairs of the shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty.
- That the arrangement of the shareholder is not covered under impermissible avoidance arrangement.
- That the shareholder is and will continue to remain a tax resident of the country of their residence as mentioned in the declaration.
- Declaration confirming the status of shareholder ie type of legal entity viz corporate, company, corporation, firms, limited liability partnership (LLP), limited liability company (LLC), individual or any other type as per law they governed.

Please note that the Company in its sole discretion reserves the right to call for any further information, documents, original copies, and/or to apply domestic law for TDS.

Cases where TDS on Dividend is not applicable or applicable at lower rate

If TDS on Dividend is not required to be deducted under Income Tax Act because shareholders are Insurance companies, mutual funds, AIFs etc, then those shareholders should submit documentary evidence of current date with request not to deduct TDS on emails as mentioned in this communication. Shareholders can submit low TDS rate / Nil TDS rate certificate which they might have obtained from income tax authorities and accordingly, TDS will be deducted as per the certificate.

Above mentioned provisions and process are as per understanding of the Company and extant statutory provisions. The Company may vary the process, in case there is any change in provisions or if necessary as per advise from tax professional.

In case any assistance or guidance is required in respect to above, you may kindly send an email to complianceofficer@eplglobal.com or contact Secretarial Department at Corporate Officer.

We would arrange to send print copy or email a soft copy of TDS certificate to shareholders at their registered address / email in due course. 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

Update/register email address to receive communication in your inbox

As a separate note, attached a letter to shareholders relating to update your email address, in case any change in your email. The Company will continue to send Annual Reports and other communication through email as mentioned in the attached letter.

Assuring our best services at all times.

Thanking you

Yours faithfully
For **EPL Limited**

Suresh Savaliya
Head – Legal and Company Secretary

Disclaimer: This Communication shall not be treated as an advice from the Company. Shareholders should obtain tax advice related to their tax matters from a tax professional.