

20th June, 2023

Department of Corporate Services

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Dear Sir / Madam,

Ref.: Scrip Code 503229

Sub: Communication to Shareholders- Intimation on Tax Deduction on Dividend

Pursuant to the provision of the Income Tax Act, 1961 ('the Act'), dividends paid or distributed by a company on or after 1st April, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ('TDS') at the time of payment of dividend.

In this regard, please find enclosed herewith an email communication which has been sent to the shareholders of the Company, explaining the process on withholding tax from dividends paid to the shareholders at prescribed rates.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Simplex Realty Limited**

Kinjal P Shah
Company Secretary

Encl.:as above



CIN: L17110MH1912PLC000351

Registered Office: 30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk, Mahalaxmi (E), Mumbai – 400030

Tel: 022-23082951

Email: investors@simplex-group.com; **Website:** www.simplex-group.com

Date: 19th June, 2023

Dear Shareholder,

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of Simplex Realty Limited ('the Company') at its Meeting held on 16th May, 2023 have recommended a dividend of ₹ 1/- per equity share of face value of ₹ 10/- each (i.e.10%) for the Financial Year ended 31st March, 2023, subject to approval of the shareholders at the 110th Annual General Meeting ('AGM') of the Company to be held on the Wednesday, 2nd August, 2023. The record date for the purpose of final dividend would be Wednesday, 26th July, 2023 ('Record Date'). The said dividend, if approved by the shareholders at the AGM, will be payable to those shareholders whose names appear in the Register of Members of the Company or in the records of the Depositories as beneficial owners of the shares as on the Record date.

In accordance with the provision of the Income Tax Act, 1961 ('the Act'), dividends paid or distributed by a company on or after 1st April, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ('TDS') at the time of payment of dividend.

If there is any change in the information, you are requested to update your records such as tax residential status, Permanent Account Number (PAN) and register your email address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialized form and if you are holding shares in physical form, you are requested to furnish details to Purva Sharegistry (India) Private Limited, the Registrar and Transfer Agent (RTA) of the Company at support@purvashare.com and the physical copy of the same shall be sent at Purva Sharegistry (India) Private Limited, Unit No.9, Shiv Shakti Ind Estt, J.R. Boricha Marg, Lower Parel (East), Mumbai – 400011.

The TDS rate / withholding tax rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. **Please note that since the dividend shall be finalized in the forthcoming AGM, it will be taxable to the shareholder in the FY 2023-24. Thus, all the details and declarations furnished should pertain to FY 2023-24.**

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS shall be deducted at the rate prescribed as per Section 206AA of the Act or 20%, whichever is higher.

a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if –

- Total amount of dividend to be received during the Financial Year 2023-24 does not exceed Rs. 5,000/-
- The shareholder provides Form 15G (applicable to Individuals) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. These forms can be accessed and downloaded from the website of the Company at <https://simplex-group.com/report.php>
Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law.
- If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.

b. Resident Non-Individuals:

Nil/lower tax shall be deducted on the dividend payment to the following resident shareholders on submission of documentary evidences and self-declaration as listed below–

- **Insurance Companies:** For Public & Other Insurance companies, a declaration that it has full beneficial interest with respect to the shares owned by it, along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
- **Mutual Funds:** Documentary evidence to prove that mutual fund is covered under section 196 of the Act and self-declaration that they are governed by the provision of Section 10 (23D) of the Act along with self-attested copy of the PAN card and SEBI registration certificate.
- **Alternative Investment Fund (AIF):** Documentary evidence to prove that AIF is covered by Notification No. 51/2015 dated 25th June, 2015 and a declaration that its income is exempt under Section 10 (23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulation along with self-attested copy of the PAN card and SEBI registration certificate.
- **New Pension System (NPS) Trust:** Documentary evidence that the Trust is established in India and are the beneficial owner of the share/shares held in the Company; and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card and registration certificate, as applicable.

- **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- c. In case where the shareholders (both individuals and non-individuals) provide certificate under Section 197 of the IT Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

II. For Non- Resident Shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)-

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 or Section 196D of the Act as per the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable. In case, certificate issued under Section 195(3)/197 of the Act is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.
- b. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and country of tax residence of the shareholder, if they are more beneficial to shareholder. For this purpose, i.e. to avail DTAA benefits, the non-resident shareholders will have to provide the following:
- Self-attested copy of the PAN Card, allotted by the Indian Income Tax authorities; If the PAN is not available, the non-resident shareholder shall furnish name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence;
 - Self-attested copy of Tax Residency Certificate ('TRC') issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during the year 2023-24;
 - Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC;
 - Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty; (of FY 2023-24 or later)
 - Self-declaration of beneficial ownership by the non-resident shareholder;
 - In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;
 - In case of shareholder being tax resident of Singapore, proof demonstrating the non-applicability of Article 24 – Limitation of Relief under India- Singapore Double Taxation Avoidance Agreement (DTAA) should be provided.

It is recommended that shareholder should independently satisfy its eligibility to claim Double Taxation Avoidance Agreement benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholder and meeting requirements of the Act read with applicable DTAA.

Note: The 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.

Submission of declarations and other documents:

In terms of Rule 37BA of 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 by the Rules.

The exemption forms viz – Form 15H/15G/10F and format of Declaration as required to be provided by Resident/Non-Resident shareholders can be downloaded from the website of the Company at <https://simplex-group.com/report.php>

In order to enable the Company to determine the appropriate TDS / withholding tax rate applicable, shareholders are requested to send the aforementioned documents duly completed and signed at support@purvashare.com on or before **26th July, 2023**.

The Resident Non-Individual Members established in India and Non-Resident Non-Individual Members may alternatively submit the relevant forms/declarations/documents through their respective custodian who is registered on NSDL platform, on or before 26th July, 2023.

Kindly note that no communication/documents on the tax determination/ deduction shall be considered post 6:00 PM (IST) of 26th July 2023.

Section 206AB of the Act

Rate of TDS @10% under section 194 of the Act is subject to provisions of section 206AB of Act which provides for TDS in respect of non-filers of income-tax return. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rate or rates in force; or
- iii. At the rate of 5%

The term 'specified person' is defined under Section 206AB (3) of the Act, who satisfies the following conditions:

- A person who has not filed the income tax return for previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in his case is Rs. 50,000 or more in such previous years. Further, non-resident shareholders who does not have the permanent establishment is excluded from the scope of a specified person.

In cases where Sections 206AA and 206AB of the Act are applicable i.e. the specified person has not submitted the PAN as well as not filed the income tax return, tax shall be deducted at the higher of the rates prescribed in respective sections.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

General Notes:

1. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded by logging in with their credential (with valid PAN) at <https://www.incometaxindiaefiling.gov.in> or at TRACES <https://www.tdscpc.gov.in/app/login.xhtml>.
2. It may be noted that in case the tax on said Dividend is deducted at a higher rate in the absence of receipt of or satisfactory completeness of the aforementioned details/documents by the Company before dividend processing period, an option is available with you to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
3. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

UPDATION OF BANK ACCOUNT DETAILS:

Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to make timely credit of dividend in their bank accounts.

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

We request your cooperation in this regard.

Thanking you,

Yours faithfully,
For **Simplex Realty Limited**

Sd/

Kinjal P Shah
Company Secretary