



PRIMA PLASTICS LIMITED

MFRS. OF : MOULDED FURNITURE
GOVT. RECOG. EXPORT HOUSE
CIN : L25206DD1993PLC001470



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Tel.: 0091-022-2857 4768 / 69 / 1791 • **Fax** : 0091-022-2857 2859
E-mail : investor@primaplastics.com • **Website** : www.primaplastics.com

July 2, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

BSE Scrip Code - 530589

Sub: Communication to the Shareholders on Final Dividend

Dear Sir,

Pursuant to the recommendation of final dividend by the Board of Directors of the Company at its Board Meeting held on May 27, 2021, the Company has sent an enclosed email communication to its shareholders, whose email addresses are registered with the Company / Depository Participant informing about applicability of Tax Deduction at Source (TDS) / withholding tax on proposed dividend for the financial year ended March 2021 and requesting them to submit relevant forms / documents in order to enable the Company to determine the appropriate TDS rate as applicable.

The specimen of the communication is appended for your reference and records.

Thanking you,

For Prima Plastics Limited

Vandana Ahuja
Company Secretary and Compliance Officer
Membership No. A57118

Encl: as above



Regd. Office : 98/4, Prima House, Daman Industrial Estate, Kadaiya, Daman - 396 210 (U. T.)
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PRIMA PLASTICS LIMITED

Regd. Office: 98/4 Prima Housedaman, Industrial Estate, Kadaiya Nani Daman 396210

Tel: +91 22 28570912; Fax: +91 22 2857 2859; CIN: L25206DD1993PLC001470

Website: www.primaplastics.com; E-mail: investor@primaplastics.com

Date: July 1, 2021

Ref: Folio No. / DP Id & Client Id:

Name of the Shareholder:

Dear Member,

Sub: Communication on deduction of tax at source on proposed final dividend

We are pleased to inform you that the Board of Directors of your Company at its meeting held on May 27, 2021, has recommended a final dividend of ₹ 1.50 (15%) per equity share of face value of ₹ 10 each for the financial year ended March 31, 2021. The dividend, as recommended by the Board, if approved by the members at the ensuing Annual General Meeting ("AGM") of the Company, will be paid to eligible shareholders as on record date within 30 days from the date of approval.

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020 shall be 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 at the applicable rates.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company in accordance with the provisions of the Act.

In order to enable us to determine appropriate withholding TDS rate please note the following:

SECTION A: UPDATION OF MANDATORY INFORMATION BY ALL THE SHAREHOLDERS OF THE COMPANY:

All the shareholders are requested to ensure that the following details are updated, as applicable, through their Depository Participant ("DP") (if shares are held in Demat Form) or with Registrar and Share Transfer Agent ("RTA") of the Company (if shares are held in Physical Form):

1- Valid Permanent Account Number ("PAN")

(If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further, in case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%.)

2-Residential status as per the Act i.e. Resident or Non-Resident for Financial Year ("FY") 2021-22

3-Category of the Shareholder

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned details as available on record date in the Register of Members.

SECTION B: TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDER(S):

Below table summarizes the applicable TDS provisions in the Act, for various shareholder categories, including Resident or Non-Resident shareholders. Shareholders are requested to take note of the following TDS rates and provide information to the Company for their respective categories, if applicable.

I. FOR RESIDENT SHAREHOLDERS:

Category of Shareholders	Rate of TDS	Documentation Requirement, if any
Insurance Companies	Nil	Applicable for Insurance companies registered under IRDA. If details are not updated with the DP, a self-declaration with an exemption certificate is required to be furnished. (Annexure 1)
Mutual Funds	Nil	Applicable for Mutual Funds registered with SEBI. If details are not updated with the DP, a self-declaration with an exemption certificate is required to be furnished. (Annexure 2)
Alternative Investment Fund(AIF)	Nil	Applicable for Category I and II AIF registered with SEBI. If details are not updated with the DP, a self-declaration with an exemption certificate is required to be furnished. (Annexure 3) In the case of Category III AIF, TDS would be deducted at 10%
Other resident shareholder	Nil	If aggregate amount of dividend during FY 2021-22 does not exceed ₹ 5,000.
	Nil	Form 15G for resident individuals along with self-attested copy of PAN. (Annexure 4)
	Nil	Form 15H for resident individuals, above the age of 60, along with self attested copy of PAN. (Annexure 5)
	10	A valid PAN of the Member is updated in the Register of Members of the Company and the dividend amount is more than ₹ 5,000.
	20	If a valid PAN of the Member is not updated in the Register of Members of the Company, and the dividend amount is more than ₹ 5,000.

II. FOR NON - RESIDENT SHAREHOLDERS:

Category of Shareholders	Rate of TDS	Documentation Requirement, if any
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20	In addition to tax, surcharge as per respective slabs and cess would be applicable.
	Lower Rate	Further, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder if they are more beneficial to the shareholder. For this purpose, i.e., to avail the tax treaty benefits, the non-resident shareholder will have to provide the following: Self-attested copy of the PAN if any allotted by the Indian Income Tax Authorities; Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident; Self-declaration in Form 10F (Annexure 6) and Self-declaration of having no Permanent Establishment in India, beneficial ownership of shares and dividend income and eligibility to claim treaty benefits (Annexure 7)
Other Non-residents shareholders	20	In addition to tax, surcharge as per respective slabs and cess would be applicable.
	Lower Rate	Further, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder if they are more beneficial to the shareholder. For this purpose, i.e., to avail the tax treaty benefits, the non-resident shareholder will have to provide the following: Self-attested copy of the PAN if any allotted by the Indian Income Tax Authorities; Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident; Self-declaration in Form 10F (Annexure 6) and Self-declaration of having no Permanent Establishment in India, beneficial ownership of shares and dividend income and eligibility to claim treaty benefits (Annexure 7)

All non-resident shareholders	Rate as per lower deduction certificate	TDS rate specified in lower deduction certificate issued by the Income tax authority valid for FY 2021-22 covering dividend income.
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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 shareholders.

All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.

SECTION C: TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME:

The Finance Act, 2021 has, *inter alia*, inserted Section 206AB in the Act with effect from 1st July, 2021. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of following rates from amount paid / credited to 'Specified Person':

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

The 'Specified Person' means a person who has:

- a) Not filed return of income for both of 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 prescribed under section 139 of the Act has expired; and
- b) Subjected to deduction/collection at source in aggregate amounting to ₹ 50,000 or more in each of such two immediate previous years.

The Non-resident who does not have the permanent establishment in India is excluded from the definition of 'Specified Person'.

Resident Shareholders are requested to submit declaration stating that return has been filed for last two years to avoid deduction of tax at higher rate **(Annexure 8)**.

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.

For all self-attested documents, Shareholders must mention on the documents "certified true copy of the original". The Company would accept scanned copy of the duly signed and verified and self-attested copies. Shareholders are requested to maintain the original under their possession and if the original Forms are required in future, the Company would seek for the same from the shareholders.

The Company will arrange to email a soft copy of the TDS certificate at the shareholder's registered email ID in due course, post payment of the said proposed final Dividend. Shareholders will also be able to see the credit of TDS deducted in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, shareholders would still have the option of claiming refund of the excess tax paid at the time of filing income tax return. **No claim shall lie against the Company for such taxes deducted.**

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be 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.

While on the subject, we request the shareholders to update your bank account details with your DP, in case of holding in demat form and to RTA in case of holding in physical form. This will facilitate receipt of dividend directly into your bank account. We also request you to register your email address and mobile number with the Company or the RTA.

Kindly note that the aforementioned documents should be emailed to Company at investor@primaplastics.com within one month from the date of this communication and in any case not later than **July 31, 2021 (6:00 PM IST.)** to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

Draft declarations which needs to be submitted will be available at [CLICK HERE](#)

Your co-operation in this regard is solicited.

Thanking you,

Yours faithfully,
For **Prima Plastics Limited**

Sd/-
Vandana Ahuja
Company Secretary and Compliance Officer

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of final dividend.