

GREENPLY INDUSTRIES LIMITED

Registered Office: Makum Road, P.O. Tinsukia, Assam - 786 125, India
Corporate Office: "Madgul Lounge", 23 Chetla Central Road, 5th & 6th Floor
Kolkata - 700 027, India
Phone: (033) 3051-5000, Fax: (033) 3051-5010,
Email: investors@greenply.com, Website: www.greenply.com
CIN: L20211AS1990PLC003484

September 2, 2020

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

Name of the Shareholder:

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their meeting held on June 27, 2020, has recommended dividend of ₹0.40 per Equity Share of ₹1 each for the financial year ended March 31, 2020. This dividend will be paid / dispatched within 10 days from the date of Annual General Meeting (AGM) to the members of the Company, whose names appeared in the Register of Members / list of Beneficial Owners as on 30th August, 2020, subject to approval of the shareholders of the Company.

As you may aware that as per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends paid or distributed by the Company on or after 1 April 2020 shall be taxable in the hands of the Shareholders and the Company shall therefore be required to deduct tax at source ('TDS') at the time of payment of said Dividend. The rate of TDS would vary depending on the category of the shareholder, their residential status, etc. and the documents submitted to the Company in accordance with the provisions of the Act.

The applicable TDS provisions under the Act for Resident and Non-resident shareholder categories are as follows:

I. Resident Shareholder:

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income tax Act, 1961 @ 7.5% on the amount of Dividend declared and paid by the company during FY 2020-21 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Act.

a) Resident Individuals:

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

- Total dividend to be received by them during the Financial Year 2020-21 does not exceed Rs. 5,000/-

- The shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), as per the attached Formats, provided that all the required eligibility conditions are met.
- The shareholder who has provided a Certificate issued under section 197 of the Act for lower/NIL rate of deduction or an exemption certificate issued by the income tax authority shall receive dividend after withholding in accordance with such lower/NIL rate certificate.

Click to download Form 15G from the website of the Company viz https://www.greenply.com/tds_documents

Click to download Form 15H from the website of the Company viz https://www.greenply.com/tds_documents

b) Other Resident shareholders:

In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Income-tax Act, 1961, no tax shall be deducted at source ('nil rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

- **Insurance Companies:** Public & Other Insurance Companies, a declaration that it has a full beneficial interest with respect to the shares owned by it along with PAN.
- **Mutual Funds:** Self-declaration that they are specified and covered under section 10 (23D) of the Act along with a self-attested copy of PAN card and registration certificate.
- **Alternative Investment Fund (AIF):** AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.
- **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:** - Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered u/s 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence in relation to the same.

- c) In case where the shareholders provide certificate under section 197 of the Tax 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.

Application of NIL rate at the time of tax deduction/withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

II. Non-Resident Shareholder:

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act at the 'rates if force' for all non-resident shareholders except where payments are covered specifically under other provisions of the Act. For such shareholders covered under section 195 of the Act, tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the I-T 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 DTAA benefits, the non-resident shareholder will have to provide the following:

1. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
2. Self-attested copy of valid Tax Residency Certificate (TRC) (of FY 2019-20 or later) obtained from the tax authorities of the country of which the shareholder is resident. In case the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
3. Self-declaration in Form 10F (Click to download Form 10F from the website of the Company viz https://www.greenply.com/tds_documents) if all the details required in Form 10F are not mentioned in the TRC.
4. Self-declaration by the non-resident payee containing such particulars/confirmations as would be imperative to be governed by and/or avail benefits, if any, under the applicable DTAA in the attached format (Click to download the self-declaration format from the website of the Company viz https://www.greenply.com/tds_documents)

Please note that the Company in its sole discretion reserves the right to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts and to call for any further information/documents. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

In case where the non-resident shareholder provides the certificate under section 197 of the 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.

In case of Foreign Portfolio Investors (FPI) and Foreign Institutional Investors (FII), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with the provisions of section 196D of the Act. Such TDS rate shall not be subject to benefits under the relevant DTAA rate, if any.

The Final Dividend for FY 2019-20 will be paid after deducting the tax at source as under:

A. Resident Shareholders:

- Nil for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act, 1961.
- 7.5% for resident shareholders in case PAN is provided.
- 20% for resident shareholders in case PAN is not provided / not available.

B. Non-resident shareholders:

- Beneficial DTAA rate (based on tax treaty with India) for non-resident shareholders (other than FII/FPI), as applicable will be applied on the basis of documents submitted by the non-resident shareholders as per Para II above.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Income Tax Act, 1961.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/ FPI).

C. 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.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before **September 15, 2020**. The documents are to be submitted to the Registrar & Share Transfer Agent of the Company, M/s. S. K. Infosolutions Private Limited, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, Phone: (033)-2219-4815/6797.

The said documents may also be submitted online by clicking on the below link. No communication on the tax determination/deduction shall be entertained post August 31, 2020.

Click to upload the documents https://www.greenply.com/tds_documents

Further It may be noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option of claiming refund at the time of filing the return of income, if eligible.

We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend (only where PAN is provided by the shareholder).

In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

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

Thanking you,

Yours faithfully,

For **Greenply Industries Limited**

Sd/-

Kaushal Kumar Agarwal
Company Secretary &
Vice President-Legal