

Dear Shareholders,

Deduction of tax at source on Final Dividend- 2023-24

This is to inform you that the Board of Directors ("Board") of Deep Industries Limited ("the Company") at its meeting held on 15th May, 2024 has recommended a final dividend @ Rs. 2.44/- per equity share, for the financial year ended 31st March 2024.

The Dividend is expected to be paid to the shareholders within stipulated timelines subject to approval of Shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on 16th July, 2024. The Record Date for dividend is 09th July, 2024.

In terms of the provisions of the Income-tax Act, 1961, (the "Act") as amended by the Finance Act, 2020, dividends paid or distributed shall be taxable in the hands of the shareholders. Accordingly, the dividend will be paid after deducting the tax at source (TDS) at the prescribed rates. For the prescribed rates under various categories, Shareholders are requested to refer to the Act.

Thus, companies paying dividend are required to withhold tax at the applicable tax rates for Resident shareholder at 10% with valid Permanent Account Number (PAN) or at 20% without/invalid PAN and for Non-Resident shareholders at the rates prescribed under the Act or Tax Treaty, read with Multilateral Instruments, if applicable. No withholding of tax is applicable if the dividend payable to resident individual shareholders is up to Rs. 5,000 p.a. within a financial year

If a shareholder is classified as "specified person" as per the provision of section 206AB of the Act, tax will be deducted at a rate higher of the following:

- Twice the rate specified in the relevant provision of the Act; or
- Twice the rate or rates in force; or

For the above purpose, "specified person" means a person, being a resident or a non-resident having a Permanent Establishment (PE) in India, -

(i) Who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted. For this purpose, the assessment year would be reckoned to be the one for which time limit for filing Return of Income under sub-section (1) of section 139 has expired; and

(ii) The aggregate of TDS/TCS deducted/collected in the case of such person is Rs. 50000 or more in the above referred previous year.

Accordingly, if, at the time of deducting TDS, the status of a resident shareholder or a non-resident shareholder (having a PE in India), as shown by the system of the Income-tax Department, is a "specified person", TDS would be deductible at twice the normally applicable rate or 20%, whichever is higher.



Further, if owing to non-availability of PAN of a shareholder who is a "specified person" under section 206AB of the Act, the provisions of section 206AA are also applicable, TDS would be deductible at the rate applicable under section 206AA or under section 206AB of the Act, whichever is higher.

In the cases of resident shareholders, if PAN of a shareholder is not updated, it shall be assumed that the shareholder is a "specified person" for the purpose of section 206AB of the Act and TDS would be deducted accordingly.

It may be noted that, the provisions of Section 206AB shall not be applicable in the cases of non-resident shareholders not having a PE in India. For this purpose, the expression PE (i.e., permanent establishment) includes a fixed place of business through which the business of the non-resident is wholly or partly carried on.

Thus, if a non-resident shareholder, who is otherwise liable for higher TDS under Section 206AB, submits a duly signed and verified declaration confirming that he/she does not have a PE in India, the provisions of Section 206AB would not come into play and TDS would be deductible at the normally applicable rate. In absence of such a declaration, TDS would be as per the provisions of section 206AB of the Act.

Further as per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. 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.

The Company will be relying on the information verified by the utility available on the Income Tax website.

Transferring credit to the beneficial owner

In cases where the shareholder is merely a custodian of the shares and, accordingly, not the beneficial owner of the dividend payable in respect thereof, then, in order to effect TDS to the credit of the beneficial owner of dividend income, the shareholder may provide a declaration prescribed by Rule 37BA of the Income-tax Rules, 1962. The aforesaid declaration shall contain-

- i. name, address, PAN and residential status of the person to whom credit is to be given;
- ii. payment in relation to which credit is to be given; and
- iii. The reason for giving credit to such person.

The above declaration must be provided **on or before 5.00 p. m. on Sunday 30th June, 2024**. Please note that no application under Rule 37BA would be considered in the absence of the aforesaid details and necessary declarations prescribed under the Companies Act, 2013 is lodged



with the Company. No communication on the tax determination/ deduction shall be entertained after the above time limit.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request Resident shareholders and Non-Resident shareholders to upload the details and documents referred to in this Notice in the format provided by us and as applicable to you on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

No communication on the tax determination / deduction shall be entertained beyond 5:00 p. m. on Sunday 30th June, 2024.

It may be further noted that in case tax on said dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents of the aforementioned details/documents from you, there would still be an option available with you to **claim the appropriate refund in the Return of Income filed with your respective Tax Authorities for the tax so deducted, if eligible, 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 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 relevant proceedings.



DEEP INDUSTRIES LIMITED (Formerly Known as Deep CH4 Limited)
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Email: info@deepindustries.com Website: www.deepindustries.com
CIN: L14292GJ2006PLC049371



To receive dividend amount directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case you are holding shares in physical form, you will have to send a covering letter duly signed by the first shareholder, along with duly filled in and signed Form ISR 1, ISR 2 and SH13 with necessary attachments to Link Intime India Private Limited, 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380006.

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://www.incometax.gov.in/iec/foportal> We seek your co-operation in the matter.

Thanking You,
Yours sincerely,
For **Deep Industries Limited**

Sd/-
Shilpa Sharma
Company Secretary
(M. No. A34516)

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 dividend



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