



Ref: D/2023-24/29

Date: 28.08.2023

To,
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Symbol: SBC

To,
Listing Department
Bombay Stock Exchange Limited
P.J. Towers, Dalal Street
Mumbai-400001
Scrip Code: 542725

SUBJECT: COMMUNICATION REGARDING TAX DEDUCTED AT SOURCE ON DIVIDEND FOR THE FINANCIAL YEAR 2022-2023

Dear Shareholders.

As you are aware that the Members of the Company in its 12TH Annual General Meeting (AGM) had approved the dividend of ₹ 0.05 per equity share of face value of 1/- each for the financial year 2022-2023, 12TH Annual General Meeting (AGM) of the Company.

As you may be aware, that as per the Income Tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividend paid or distributed by the Company after 1 April 2020, is taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders. The rate of TDS would vary depending on the residential status as well as category of the shareholders, documents submitted by them and accepted by the Company. Accordingly, the Dividend will be paid after deducting TDS as explained here under:

(A) Non-Resident Shareholders:

Category of Shareholders	Rate/Exemption/Deduction applicability
Foreign Institutional Investors (FIIs) Foreign Portfolio Investors (FPIs)	TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 196D of the Act.
Any entity entitled exemption from TDS to	No TDS is required to be deducted if valid self-attested documentary evidence (e.g. relevant copy of registration, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS, has been submitted and acceptable to the Company.
Other Non-resident Shareholders	As per 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.

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	<p>To avail beneficial rate of tax treaty following documents would be required:</p> <p>(a) Self-Attested Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is declared.</p> <p>(b) Self-Attested Indian Tax Identification Number (PAN), if available or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format.</p> <p>(c) Self-Attested Form 10F filled & duly signed.</p> <p>(d) Self-declaration for a) non-existence of permanent establishment/ fixed base in India, b) eligibility to claim tax treaty benefits, c) receiving dividend income as beneficial owner of such income.</p> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident Shareholder and acceptable to the satisfaction of the Company.)</p> <p>(II) TDS is required to be deducted at the rate prescribed in a valid lower tax withholding certificate issued under Section 195/197 of the Act, if such certificate is provided.</p>
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(B) Resident Shareholders:

Category of Shareholders Mutual Funds	Rate/Exemption/Deduction applicability
Mutual Funds	No TDS is required to be deducted where a self-declaration is provided stating that it is governed by provisions of Section 10(23D) of the Act, along with a self-attested copy of a valid SEBI registration certificate and a self-attested copy of PAN card.
Insurance Companies	No TDS is required to be deducted where a self-declaration is provided stating that it has full beneficial interest with respect to the shares owned by it along with self-attested copy valid IRDAI registration certificate along with a self- attested copy of PAN card.

Category of Shareholders	Rate/Exemption/Deduction applicability
Category I and II Alternative Investment Fund	No TDS is required to be deducted where a self-declaration is provided stating that its income is exempt under section 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the SEBI Legislations along with self-attested copy of valid registration certificate along with a self-attested copy of the PAN card.
New Pension System Trust	No TDS is required to be deducted where valid self-attested documentary evidence in support of the entity being entitled to 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.
Any other entity entitled to exemption from TDS	No TDS is required to be deducted where valid self-attested documentary evidence in support of the entity being entitled to TDS exemption is submitted.
Other Resident Shareholder	<p>1) TDS is required to be deducted at the rate of 10% under Section 194 of the Act.</p> <p>2) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholders does not exceed ₹5000/-.</p> <p>3) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).</p> <p>4) TDS is required to be deducted at the rate of 20% under section 206AA of the Act, if valid PAN of the shareholder is not available.</p> <p>5) TDS is required to be deducted at such rate as prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.</p>



The Finance Act, 2021, has inter-alia inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax from amount paid/ credited to "specified person, i.e. Resident Shareholders who have not filed their return of income for two consecutive previous years and aggregate taxes deducted at source exceeds ₹50,000/- in each of the two previous years (effective from July 1, 2021), at higher of the following rates:

- (1) At twice the rate specified in the relevant provision of the Act; or
- (2) At twice the rates or rates in force; or
- (3) At the rate of 5%

The Company will be relying on the information verified by the utility available on the Income Tax website. However, where PAN is not updated by shareholder and the shareholder has not given any declaration than the Shareholder will assumed to be "specified person".

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person. As such Non-Resident Shareholder is required to provide a self-declaration to this effect.

Shareholders are requested to further note that:

1. Scanned copies of documents mentioned above and/or any other communication in connection with TDS are required to be sent via registered e-mail ID of shareholders only to e-mail ID cs@sbccl.com on or before 05th October, 2023.
2. In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Book Closure Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before 05th October, 2023.
3. Recording of the valid PAN for the registered Folio/DP ID-Client ID is mandatory. If the PAN is not as per the database of the Income-Tax Website/Portal, it would be considered as invalid PAN and in absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act. Shareholders are requested to ensure Aadhaar number is linked with PAN, as per the timelines prescribed. 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%.
4. Above communication on TDS sets out the provisions of law in a summarised manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

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5. It may be further 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 available with the shareholder to file the return of income and claim an appropriate refund, if eligible

6. 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, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any legal proceedings.

7. The dividend will be paid electronically in the Shareholder's bank accounts. The shareholder holding shares in demat form are advised to keep the bank details updated with their depository participants.

8. Shareholder holding shares in Certificate Form and who have not updated their bank accounts details are requested to update bank details with the Company's Registrar and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India by submitting duly filled forms ISR-1 and ISR-2 as available at the website of the company.

NO COMMUNICATION ON THE TAX DETERMINATION/DEDUCTION SHALL BE ENTERTAINED AFTER THURSDAYS, 05TH OCTOBER, 2023.

Shareholders are requested to register/update their complete bank details with the Company/RTA, to enable the Company to make timely credit of Dividend in their Bank Accounts.

This is for your information and records.

Thanking You

For SBC Exports Limited

Hariom Sharma
Company Secretary & Compliance Officer
M. No. A41738

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