

19.05.2025

To,
The Manager - Listing
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel No. 022-2659 8237 /38
Symbol: DHAMPURSUG

The General Manager – DSC
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001
Tel No. 022-22722039/37/3121
Security Code: 500119

Dear Sir,

Re: Submission of communication sent to Shareholders

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed herewith the copy of the e-mail sent to shareholders today i.e. 19th May, 2025, regarding "Deduction of tax at source on buyback of Equity Shares by Dhampur Sugar Mills Limited".

You are requested to take the information on record.

Thanking you,
Yours Faithfully,
For Dhampur Sugar Mills Limited

Aparna Goel
Company Secretary
M. No.- 22787



DHAMPUR SUGAR MILLS LIMITED

CIN: L15249UP1933PLC000511

Registered Office: Dhampur, Distt. Bijnor, Uttar Pradesh – 246761

Corporate Office: 6th Floor, Max House, Okhla Industrial Estate, Phase III,
New Delhi – 110020

Tel No.: 011-41259400; **Email:** investordesk@dhampursugar.com

Website: www.dhampursugar.com

Folio/DP ID & Client ID:

Dear Shareholder,

Subject: Deduction of tax at source on buyback of Equity Shares by Dhampur Sugar Mills Limited

We are pleased to inform that the Board of Directors of the Company (“**Board**” which expression shall include any committee constituted and authorised by the Board to exercise its powers related to the buyback i.e., the Buyback Committee) at its meeting held on Friday, 16th May, 2025 have approved the buyback of up to 10,81,081 (Ten Lakhs Eighty One Thousand Eighty One) fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten each).

Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9(i) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, Friday, 23rd May, 2025, has been fixed as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who shall be eligible to participate in the buyback.

Income Tax Provisions in respect of buyback of shares listed on the recognised stock exchange:

Provisions up to 30th September, 2024

With respect to buyback transactions that occurred till 30th September, 2024, tax on buyback of shares was governed by the provisions of Section 115QA of Income Tax Act, 1961, wherein the Company making the buyback was liable to pay tax on the distributed income and the income arising to the shareholders on such buyback was exempt from tax under section 10(34A) of the Income Tax Act, 1961.

Provisions w.e.f. 1st October 2024

- a. Finance (No.2) Act, 2024 has made amendments in relation to buy-back of shares w.e.f. 1st October 2024, shifting the tax liability in the hands of the shareholders (whether resident or non-resident) and the Company is not required to pay tax on the distributed income.
- b. Tax treatment of buy-back of shares in the hands of shareholders:-
 1. Under section 56(2) under the head “Income from other sources”-Amount received by a shareholder on account of buy-back of shares is treated as dividend under section 2(22)(f). The

entire amount (received by a shareholder on account of buy-back of shares) is taxable as dividend under section 56(2) under the head “Income from other sources. No deduction is allowed.

2. Under section 46A- Buy-back of shares is treated as “transfer” under section 2(47). For computation of capital gain, section 46A provides that the value of consideration received by the shareholder shall be deemed to be nil. Consequently, the quantum of cost of acquisition of such shares will become long term/short term capital loss which can be adjusted in the hands of shareholders within the parameters of section 70,71 and 74.

Tax Deduction at Source (“TDS”):

Resident Shareholders

The Company is required to deduct tax at source at rate specified u/s 194 read with section 206AA as applicable in respect of the consideration payable/paid to Resident shareholders on Buy-back of the Equity Shares.

- To avail tax deduction at the rate of 10% (ten percent) under Section 194 of The Income Tax Act , 1961, Resident shareholders are required to provide, copy of valid PAN and operative (Aadhaar linked) PAN to the company.
- In-case PAN is not provided or if PAN is provided but it is not linked with Aadhar, it will be considered as if PAN is not provided and in either of the case, then the Company shall proceed to deduct TDS at the rate of 20% (twenty percent), as per Section 206AA of the Income Tax Act , 1961.
- No TDS will be deducted in the case of resident individuals, if the amount of buyback consideration paid or likely to be paid during the financial year does not exceed ₹ 10,000 (Indian Rupees Ten Thousand).

Further, no TDS will be deducted in case individual resident shareholder furnish a declaration in writing in duplicate in **Form 15G** (as per Section 197A(1) of the Income Tax Act , 1961) or in **Form 15H** (if the age of the individual resident is 60 year or more) (as per Section 197A(1C)), to the effect that the tax on his estimated income, in which Buy-back proceed to be included in computing his total income will be Nil.

- In case the shareholder furnishes a valid certificate under Section 197(1) of the Income Tax Act , 1961 applicable to the income from buyback, then TDS shall be applied at the rate specified in such certificate.

The application of TDS rate lower than 10% (ten percent) shall depend upon the Company being satisfied with the adequacy and completeness of the documents submitted by the resident shareholder in support of TDS deduction on its income.

Non-resident shareholders

In respect of the Buy Back Consideration payable/ paid to the Non-Resident Shareholders, unless the Shareholder provides a valid nil/ lower rate deduction certificate as per Section 195(3) / Section 197(1) of the Income Tax Act, 1961, the Company shall apply TDS at the following rates

- a. TDS at the rate of 30% (thirty percent) (plus applicable surcharge and cess), in case Non-Resident Shareholders which are tax residents of Notified Jurisdictional Area (if any), as defined under section 94A (1) of the Income Tax Act, 1961; and

- b. TDS at the rate of 20% (twenty percent) (plus applicable surcharge and cess), in case of other Non-Resident Shareholders, under Section 195 of the Income Tax Act , 1961.

In case the Shareholder wishes to opt for provisions of the DTAA, the Shareholder is required to provide a valid nil/ lower rate deduction certificate as per Section 195(3) / section 197(1) of the Income Tax Act, 1961. to the Company, specifying the TDS rate applicable on buyback consideration.

For Other Shareholders:

- TDS is not applicable on the Buy Back Consideration paid to the **Insurance companies** in case it provides a self-declaration (Annexure-V) that the shares are owned by it and it has full beneficial interest along with a self-attested PAN.
- TDS is not applicable on the Buy Back Consideration paid to a **Mutual Fund** specified under clause (23D) of section 10 of Income Tax Act, 1961. Such Mutual Fund should provide a self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961, self-attested copy of PAN card, registration certificate and a self-declaration (Annexure-V)
- **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) and a self-declaration (Annexure-V) in support of the entity being entitled to TDS exemption needs to be submitted.
- **Alternative Investment Fund (AIF)** established in India: 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 regulations. Copy of registration documents (self-attested) and a self-declaration(Annexure-V) should be provided.

Enclosure:

- Blank Form 15G- [Annexure-I](#)
- Blank Form 15H- [Annexure-II](#)
- Blank Form 10F- [Annexure-III](#)
- Self-Declaration format- [Annexure-IV](#)
- Blank Declaration Format for getting exemption of TDS to specified entities- - [Annexure-V](#)

Notes:

- i. To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents while submitting your shares for buyback on or before 30th May, 2025.
- ii. Kindly note that the documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://einward.alankit.com> while submitting your shares for buyback on or before 30th May, 2025 to enable the Company to determine the appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory.
- iii. In case tax on buyback consideration is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, you would still have the option of claiming refund of the excess tax

paid at the time of filing your income tax return by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account <https://incometaxindiaefiling.gov.in>.

- iv. 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.
- v. 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.
- vi. In view of the particular nature of tax consequences of a buyback transaction, eligible shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take.
- vii. Shareholders are requested to ensure that their bank account details in their respective demat accounts/ folios are updated, to enable the Company to make timely payment of buyback consideration in their bank accounts.

Your co-operation in this regard is solicited.

**Thanking You,
Yours faithfully,
For Dhampur Sugar Mills Limited**

**Sd/-
Aparna Goel
Company Secretary & Compliance Officer**