

# SUMITOMO CHEMICAL INDIA LIMITED

CIN: L24110MH2000PLC124224

**Registered office:** Bldg No.1, GF, Shant Manor Co-op Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai – 400101

**Website:** [www.sumichem.co.in](http://www.sumichem.co.in); **Email:** [investor.relations@sumichem.co.in](mailto:investor.relations@sumichem.co.in); **Ph:** 022 42522200

**Date: June 09, 2022**

Dear Shareholder,

## **Sub.: Deduction of tax at source on dividend for the FY 2021-22**

This is to inform you that the Board of Directors of the Company at its Meeting held on May 27, 2022, has recommended a Dividend of Re. 1.00 per equity share of face value of Rs. 10/- each for the Financial year ended March 31, 2022 subject to approval by the shareholders of the Company at the ensuing Annual General Meeting.

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting to be held on July 29, 2022 will be paid to the shareholders on or after Tuesday, the 2nd August, 2022, to the Members whose names stand on the Company's Register of Members and to the Beneficial Owner(s) as per the Beneficiary List provided by the National Securities and Depository Limited and Central Depository Services (India) Limited at the close of business hours on Friday, the 22nd July, 2022 (Record Date).

You may be aware that as per the Income Tax Act, 1961 ('the Act'), shareholder is liable to pay tax on the dividend income. The Company is accordingly required to comply with the provisions relating to tax deduction at source ('TDS') under the Act, in respect of such dividend.

Details of the TDS rates applicable to different categories of shareholders, and documentation required from you, are summarised below for your information and necessary action:

Table 1 - In case of a Resident Shareholder (to be read along with notes provided below the table):

TDS rate	Category of shareholder and required documentation
10 per cent	Resident shareholder whose valid Permanent Account Number ('PAN') is available on records of the Company.  Update the PAN if not already done with Depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Link Intime India Private Limited (in case of shares held in physical mode).
20 per cent	Higher rate of TDS as per Section 206AA of the Act shall be applied in case of resident shareholder whose valid PAN is not available on

	records of the Company
Lower/Nil rate as specified in certificate issued under Section 197 of the Act	Resident shareholder who has obtained a certificate from the Income-Tax Authorities under Section 197 of the Act for TDS at a lower / Nil rate. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2022-23.
Nil	<p>Individual shareholders:</p> <ul style="list-style-type: none"> <li>– If the total dividend to be received from the Company during FY 2022-23 does not exceed Rs. 5,000; or</li> <li>– If verified Form 15G or 15H (as may be applicable) is furnished along with self-attested copy of PAN. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if it does not fulfil the requirement of the law. (This form can be submitted only in case the shareholder’s tax on estimated total income for FY 2022-23 is Nil)</li> </ul> <p>Other shareholders:</p> <ul style="list-style-type: none"> <li>– Mutual Funds: Subject to a self-declaration that they are specified in Section 10(23D) of the Act along with self-attested copy of PAN card and Registration Certificate.</li> <li>– Insurance Companies: Subject to a self-declaration that it has full beneficial interest with respect to shares owned along with self-attested copy of PAN card</li> <li>– Alternative Investment Fund (‘AIF’) established/incorporated in India: Subject to a 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 self-attested copy of the PAN card and registration certificate issued by SEBI.</li> <li>– Corporation established by or under a Central Act whose income is exempt from income-tax: Subject to a self-declaration of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.</li> <li>– Government</li> <li>– The Reserve Bank of India</li> </ul>

Table 2 - In case of a Non-resident Shareholder (to be read along with notes provided below the table):

TDS rate	Category of shareholder and required documentation
20 per cent (plus applicable surcharge and cess)	All non-resident shareholders, including Foreign Portfolio Investors (‘FPIs’) subject to compliance with Section 206AB of the Act
Lower /Nil rate as specified in certificate under Section 197	Non-resident shareholder who has obtained a certificate from the Income-Tax Authorities under Section 197 of the Act for lower / Nil rate of TDS, tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2022-23.

<p>Lower rate prescribed under the Tax Treaty which applies to the shareholder</p>	<p>Non-resident shareholder (including FPI) can opt to be governed by the provisions of the Tax Treaty between India and the country of tax residence of the shareholder. Subject to the non-resident shareholder (including FPI) providing the below-mentioned documents, the Company will deduct tax at the rate prescribed in the Tax Treaty, wherever applicable:</p> <ul style="list-style-type: none"> <li>– Self-attested copy of the PAN card allotted by the Indian Income Tax Authorities.</li> <li>– Self-attested copy of Tax Residency Certificate (TRC) applicable for the period April 2022-March 2023 obtained from the Tax Authorities of the country of which the shareholder is resident</li> <li>– Self-declaration in Form 10F. If PAN is not available, then also provide Email ID and contact number in addition to the information mentioned in Form 10F.</li> <li>– Self-declaration form for claiming Tax Treaty benefits as per the format provided onto the portal, which includes declaration that the shareholder: (i) does not have a Permanent Establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') (iv) will not have a Place of Effective Management in India.</li> <li>– FPI shareholders shall, in addition to above documents, also provide copy of Self-attested SEBI Registration Certificate as FII / FPI</li> </ul> <p>Point (iii) and (iv) are not covered in the self-declaration format shared. One liner confirmation from the shareholders in the said document would suffice.</p> <p>TDS shall be recovered at 20 per cent (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of the beneficial rate of tax treaty for TDS is at the discretion of the Company and shall depend upon completeness of the documentation and review of the same by the Company.</p>
<p>10 per cent (plus applicable surcharge and cess) in case GDR/ADR holders</p>	<p>In case of dividend paid on GDR/ ADR to non-residents, tax will be deducted at the rate of 10 per cent under Section 196C of the Act - Subject to self-attested copy of PAN card issued by Indian Revenue Authorities</p>

Please Note that:

The above rates of TDS are subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of Income-Tax

Return. As provided in Section 206AB of the Act, tax is required to be deducted at the highest of following rates in case of payment to a shareholder categorised as “specified person” as per the functionality provided by the Central Board of Direct Taxes (‘CBDT’):

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of 5 per cent.

The non-resident shareholder who does not have the Permanent Establishment in India is excluded from the scope of a “specified person”.

Where Sections 206AA and 206AB of the Act are applicable simultaneously i.e. the shareholder is a “specified person” and has not submitted the PAN; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax as applicable to the residential status in which shares held under a PAN will be considered on their entire holding in different accounts.

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

You can download the formats from Link Intime’s website at <https://www.linkintime.co.in/client-downloads.html> (on this page select the “General tab”).

The aforementioned documents (duly completed and signed) are required to be uploaded at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be uploaded, or emailed to our RTA, i.e. Link Intime India Private Limited, to its Email ID [“sumitomodivtax@linkintime.co.in”](mailto:sumitomodivtax@linkintime.co.in) on or before 22<sup>nd</sup> July, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding Tax rate. No communication / documents on the tax determination / deduction shall be considered post 22<sup>nd</sup> July, 2022. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted.

The Company will arrange to Email a soft copy of the TDS Certificate at the shareholders registered Email ID in due course, after payment of the said Dividend. TDS Certificates cannot be generated for shareholders not having PAN. 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>

It may be further noted that in case the tax on the dividend is deducted at a higher rate in absence of receipt of, or satisfactory completeness of, the aforementioned details/documents by 22<sup>nd</sup> July, 2022, the shareholder has an option to file the return of income and claim an appropriate refund, if eligible.

Shareholders are requested to complete necessary formalities with regard to their Bank Accounts linked with their Demat Account / Folio IDs for enabling the Company to make timely credit of dividend in the respective bank accounts.

Registration of Bank Details for demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their bank details can get the same registered with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, Email ID along with the copy of the cheque leaf with the first shareholders' name imprinted in the face of the cheque leaf containing Bank Name and Branch, type of Account, Bank Account Number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an Email to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

We request your kind cooperation in this regard.

Thanking you,

Yours faithfully,  
For Sumitomo Chemical India Limited  
Sd/-  
Pravin Desai  
Company Secretary