



POLYCHEM LIMITED

CIN: L24100MH1955PLC009663

Regd. Office: 7, Jamshedji Tata Road, Churchgate Reclamation, Mumbai 400 020.

Tel. No. 022 22820048 Fax No. 022 22850606

Email: polychemltd@kilachand.com Website: <http://www.polychemltd.com>

NOTICE FOR DEDUCTION OF TAX AT SOURCE ON DIVIDEND UNDER SECTION 194/195 OF THE INCOME-TAX ACT, 2020

For the attention of Shareholders of Polychem Limited

First and foremost, we wish you and your family good health and hope you are safe and fine.

As you are aware, the Board of Directors of the Company, at their Meeting held on 11th July, 2020, have recommended a dividend of Rs. 12.50 per Equity Share of Rs. 10/- each for the Financial Year ended 31st March, 2020. This dividend will be paid, subject to approval of the shareholders of the Company at the ensuing Annual General meeting (AGM).

The final dividend, as recommended by the Board, if approved at the ensuing Annual General Meeting ("AGM"), will be paid to Shareholders holding equity shares of the Company, either in electronic or in physical form, after determining eligibility of Shareholders entitled for payment of dividend, which will be based on the book closure dates announced by the Company i.e. from 28th July, 2020 to 4th August, 2020. The payment will be made pursuant to the section 123 of the Companies Act, 2013.

Pursuant to the changes introduced by the Finance Act, 2020, w.e.f. 1st April, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the tax at source as follows:

Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
With PAN	7.5%*	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the 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).

Without PAN/ Invalid PAN	20%	
Submitting Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. The Forms are attached herewith.
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.
An Insurance Company as specified under Sec 194 of the Income Tax Act,1961)	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested PAN
Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	NIL	Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate

*** Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2020-21 does not exceed Rs. 5,000.**

Non-Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) or Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower)	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the 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). In order to apply the Tax Treaty rate, ALL the following documents would be required:

		<ol style="list-style-type: none"> 1) Copy of Indian Tax Identification number (PAN). 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident 3) Form 10F duly filled and signed (Format attached herewith) 4) Self-declaration from Non-resident, primarily covering the following: <ul style="list-style-type: none"> - Non-resident is eligible to claim the benefit of respective tax treaty - Non-resident receiving the dividend income is the beneficial owner of such income - Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. (Format attached herewith).
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URPL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned below

<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)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before 9th August, 2020 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 9th August, 2020 , 6:00 PM.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address polytaxexemption@linkintime.co.in and polychemltd@kilachand.com **No claim shall lie against the Company for such taxes deducted.**

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://incometaxindiaefiling.gov.in>

The above is only to facilitate the Shareholder so that appropriate TDS is deducted on the dividend amount in accordance with the applicable provisions of the Act.

We request your cooperation in this regard.

For Polychem Limited

**Sd/-
Deepali V. Chauhan
Company Secretary & Compliance Officer**

Date: 18-07-2020

Place: Mumbai