



POLYCHEM LIMITED
CIN: L24100MH1955PLC009663

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Date: June 27, 2024

Dear Shareholder,

We are pleased to inform you that the Board of Directors at its Meeting held on May 14, 2024, have recommended a Final Dividend of Rs.30.00(300%) per Equity share of Rs.10/- each for the financial year ended March 31, 2024. 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, as on the record date announced by the Company i.e. Friday, July 12, 2024. The payment will be made pursuant to the section 123 of the Companies Act, 2013.

Please note that as per the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend as per the categories mentioned below:

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend, if you have provided Permanent Account Number (PAN) except for members (where tax will be deductible at a higher rate as per provisions of Section 206AA or Section 206AB of IT Act), who have not registered their valid PAN or for individual members whose PAN is considered inoperative, if Aadhaar is not linked with their PAN or for resident members who have not filed its return of income for two consecutive previous years and aggregate TDS exceeds Rs.50,000 in each of the two previous years (as per Section 206AB), (effective from July 1, 2021) to be verified by the Company from the Government enabled online facility. However, no tax shall be deducted on the dividend payable to a resident individual if the aggregate total dividend to be received by the resident shareholders during Financial Year 2024-25 does not exceed Rs. 5,000.

In cases where the shareholder provides duly filled [Form 15G \(click here\)](#)(applicable to any person other than a Company or a Firm / [Form 15H \(click here\)](#)(applicable to an Individual above the age of 60 years) for Financial Year 2024-25 complete in all aspects and all the required eligibility conditions are met, no taxes will be deducted at source. Please note that Permanent Account Number (PAN) is mandatory for providing 15G/15H forms.

Form 15G/H needs to be furnished only if dividend amount exceeds Rs. 5,000.

For Foreign Portfolio Investor (FPI)/ Foreign Institutional Investors (FII) Shareholders, taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961 at 20% on the amount of dividend payable. Taxes may be deducted as per beneficial rate of the relevant Double Tax Avoidance Agreement (Treaty) between India and the country of tax residence of the FPI/ FII, as per Section 90(2) of the Income Tax Act, 1961, subject to conditions, if any mentioned in the SEBI Registration Certificate as FII/FPI and related documents as prescribed from Serial number 1 to 4 under the Para "For Other Non-Resident Shareholders" mentioned below.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. Accordingly, as per the

current prevailing provisions, the tax shall be deducted at the rate of 20% on the amount of dividend payable. However, as per Section 90(2) of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (Tax Treaty) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail a lower rate of deduction of tax at source under an applicable Tax Treaty, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allowed by the Indian Income Tax authorities;
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for FY 2024-25. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided;
3. Self-declaration in [Form 10F \(click here\)](#) for FY 2024-25 if all the details required in this form are not mentioned in the TRC;
4. Self-declaration for availment of treaty benefits in [Annexure 1 \(click here\)](#) by the non-resident shareholder for FY 2024-25.

In case of Other Category Shareholders, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government) etc., Self-Declaration as per [Annexure 2 \(click here\)](#) to be provided.

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 Income-tax Act, 1961, we request you to provide the above-mentioned details and documents as applicable to you on or before July 15, 2024. The dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found satisfactory.

The rate at which taxes are to be deducted at source based on the category of shareholders are mentioned hereunder:

Shareholder Category	Rate of TDS
Resident Shareholders	
Shareholders providing Form 15G/15H	NIL
If Dividend income < Rs. 5,000	NIL
If Dividend income > Rs. 5,000	- 10% in case where PAN is provided / available - 20% , in other cases where PAN is not provided / not available
Non – resident shareholders	
Other Non-resident Shareholders (Including investments made under FPI/FII route): Treaty benefit/ requirement of related document for FPI/FII.	20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

Note :

1. All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.
2. Kindly note that the aforementioned documents are required to be submitted to our Registrars & Transfer Agents, Link Intime India Private Limited at its dedicated link mentioned below [Link Intime India Pvt Ltd - Tax Exemption](#) on or before July 15, 2024, 6.00 p.m. Indian Standard Time (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

No communication on the tax determination/deduction in respect of the said dividend shall be entertained post July 15, 2024, 6.00 p.m. (IST). It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income with the Tax Authorities and claim an appropriate refund, if eligible.

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://eportal.incometax.gov.in/iec/foervices/#/login>

UPDATION OF BANK ACCOUNT DETAILS:

Shareholders are requested to complete necessary formalities regarding their bank accounts attached to their Demat account for enabling the Company to make timely credit of dividends in the respective bank accounts.

Shareholders holding shares in physical folios are requested to take note that SEBI vide circular dated November 17, 2023 has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details to mitigate unintended challenges on account of freezing of folio. Further, SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that with effect from April 1, 2024, dividend to Shareholders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature to Registrar and transfer Agent.

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address rnt.helpdesk@linkintime.co.in

Disclaimer: This Communication is not to be treated as advice from the Company or its affiliates or Link Intime India Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

For **Polychem Limited**

Sd/-

Deepali Chauhan
Company Secretary & Compliance Officer

Note: Please do not reply to this email as this email id is not monitored.