



May 23, 2021

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 500770

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex Bandra (E)
Mumbai – 400 051
Symbol: TATACHEM

Dear Sir/Madam,

Sub: Communication to Shareholders - Intimation on Tax Deduction on Dividend

Pursuant to the Finance Act, 2020, the Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories explaining the process on withholding tax from dividends paid to the shareholders at prescribed rates.

This is for your information and records.

Thanking you,

**Yours faithfully,
For Tata Chemicals Limited**

**Rajiv Chandan
General Counsel & Company Secretary**

Encl.: as above

TATA CHEMICALS LIMITED

Bombay House 24 Homi Mody Street Fort Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 www.tatachemicals.com
CIN : L24239MH1939PLC002893



Corporate Identity Number (CIN): L24239MH1939PLC002893
Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001
Tel. No.: +91 22 6665 8282
Email: investors@tatachemicals.com **Website:** www.tatachemicals.com

THIS COMMUNICATION REQUIRES YOUR IMMEDIATE ATTENTION

May 22, 2021

Dear Shareholder,

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors at their Meeting held on May 3, 2021 have declared a Final Dividend of ₹ 10/- per Ordinary Share of ₹ 10/- each (100%) for the Financial Year ended March 31, 2021. As you are aware, the Income Tax Act, 1961 ('the IT Act'), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the Final Dividend, if declared at the Annual General Meeting of the Company to be held on July 2, 2021.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the IT Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders -

Tax is required to be deducted at source under Section 194 of the IT Act, at 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (PAN) and at a rate of 20% for cases wherein:

- a) the shareholder(s) do not have PAN / have not registered their valid PAN details in their account.
- b) the shareholder(s) have not linked their Aadhaar with their PAN by June 30, 2021, rendering the PAN as invalid
- c) the shareholder(s) have not filed their Income Tax returns for FY 2018-19 and 2019-20 and the aggregate of TDS and tax collected at source in his/her case is ₹ 50,000 or more, in each of these two previous years.

a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if –

- Total amount of dividend to be received by them during the Financial Year 2021-22 does not exceed ₹ 5,000/-
- The shareholder provides Form 15G (applicable to any person other than a HUF, Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. These forms can be accessed at the link given below.

b. Resident Non Individuals:

Are requested to provide -

- **Insurance Companies:** For Public & Other Insurance Companies, a declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN;
 - **Mutual Funds:** Self-declaration that they are specified in Section 10 (23D) of the IT Act along with self-attested copy of PAN card and SEBI registration certificate;
 - **Alternative Investment Fund (AIF):** AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the IT 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 SEBI registration certificate;
 - **Other Non-Individual shareholders:** Documentary evidence along with an attested copy of the PAN of Shareholders who are exempted from deduction of tax under Section 194 of the IT Act and categories who are covered under Section 196 of the IT Act.
- c. In case where the shareholders provide certificate under Section 197 of the IT Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

II. For Non-resident Shareholders –

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the IT Act as per the rates in force. As per the relevant provisions of the IT Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, certificate issued under Section 197/195 of the IT Act is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.
- b. Further, as per Section 90 of the IT Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance 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 Tax Treaty benefits, the non-resident shareholders will have to provide the following:
- Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
 - Self-attested copy of Tax Residency Certificate (TRC) (*of FY 2021-22 or later*) obtained from the tax authorities of the country of which the shareholder is resident
 - Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC
 - Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (*of FY 2021-22 or later*)
 - Self-declaration of Beneficial ownership (*of FY 2021-22 or later*) by the non-resident shareholder

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

- c. In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the IT Act..

The exemption forms viz – Form 15H/Form 15G/Form 10F and format of Declaration as required to be provided by Resident/Non Resident shareholders can be accessed and downloaded from the website of the Company at the web-link <https://www.tatachemicals.com/TDSInformation.htm>

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, **we request you to provide these details and documents as mentioned above on or before June 9, 2021.**

The Final Dividend for FY 2020-21 will be paid after deducting the tax at source as under:

- i. **Nil** for resident shareholders in case aggregate dividend payout is less than ₹ 5,000 during 2021-22 or Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN is submitted if not registered against the account.
- ii. **10%** for resident shareholders in case PAN is provided / available
- iii. **20%** plus applicable surcharge and cess, in case PAN is not provided/not available/PAN-Aadhaar linking not done/non-filers of Return of Income.
- iv. Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders. (**Note:** 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)

TDS/withholding tax at 20% plus applicable surcharge and cess shall apply for non-resident shareholders in case the aforementioned documents are not submitted (including FII/FPI). Shareholders holding shares under multiple accounts under different status/category and single PAN may note that, higher rate 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.

SUBMISSION OF TAX RELATED DOCUMENTS:

Resident Shareholders

The aforesaid documents such as Form 15G/15H, documents under Section 196, 197A, etc. can be uploaded on the link <https://tcpl.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> **on or before June 9, 2021** to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

Resident Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:

Resident shareholders to send to	:	Csg4-exemptforms2122@tcplindia.co.in
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Non-Resident (NRI) Shareholders

NRI Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:

Non-Resident shareholders to send to	:	tdsdivnr@tatachemicals.com
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The documents should reach us **on or before June 9, 2021** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. should be sent on the aforesaid emails as stated above. No

communication on the tax determination / deduction shall be entertained post June 9, 2021. It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the 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 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>

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(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.

UPDATION OF BANK ACCOUNT DETAILS:

In view of the ongoing COVID-19 pandemic, shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to make timely credit of dividend in their bank accounts.

Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

We urge you to stay safe.

Thanking you,

Yours faithfully,

For Tata Chemicals Limited

Rajiv Chandan
General Counsel & Company Secretary