



## SECTION A: APPLICABLE TAX DEDUCTION AT SOURCE (TDS) PROVISIONS UNDER THE INCOME TAX ACT, 1961 ('THE IT ACT') FOR RESIDENT AND NON-RESIDENT SHAREHOLDER CATEGORIES (INDIVIDUAL/NON-INDIVIDUAL)

### 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). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

#### a. **Resident Individuals:**

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

- Total dividend to be received by them from the Company during Financial Year 2024-25 does not exceed Rs. 5,000/-.
- The shareholder provides Form 15G (applicable to individuals) / Form 15H (applicable to an Individual above the age of 60 years) provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law. Formats of Form 15G and 15H are enclosed as **Annexure 1** and **Annexure 2**, respectively.
- Exemption certificate is issued by the Income-tax Department, if any.

Note:

Shareholders are requested to ensure their Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative, and in such scenario, tax shall be deducted at higher rate of 20%. The Company will be using functionality of the Income-tax department for the above purpose.

#### b. **Resident Non-Individuals:**

No tax shall be deducted on the dividend payable to the following resident Non-Individuals where they provide details and documents as per the format attached in **Annexure 3**.

- **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/LIC/GIC.
- **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10(23D) of the IT Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the IT Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

c. In case, shareholders (both Individuals or Non-Individuals) provide certificate under Section 197 of the IT Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, 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 Act as per the rates in force. As per the relevant provisions of the 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, non-resident shareholders provide a certificate issued under Section 197/195 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.
- 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. If the PAN is not available, the non-resident shareholder shall furnish name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence (format attached herewith as **Annexure 4**).
  - Self-attested copy of Tax Residency Certificate (TRC) (of FY 2024-25 or later) obtained from the tax authorities of the country of which the shareholder is resident.
  - For shareholders who have PAN and proposes to claim treaty benefit, they need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 to avail the benefit of DTAA.(format attached herewith as **Annexure 5**). A copy of the Form 10F filed online should be provided to the Company.
  - Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (of FY 2024-25 or later) (format attached herewith as **Annexure 6**)
  - Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for FY 2024-25) (format attached herewith as **Annexure 7**).
  - In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
  - In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy its eligibility to claim Double Tax Avoidance Treaty benefit including meeting of all conditions laid down by Double Tax Avoidance Treaty.

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.

- a. 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 Income Tax Act, 1961.

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 10, 2024. Any documents submitted after the said date shall not be considered for treaty benefit.**

## III. TDS to be deducted at higher rate in case of non-filers of Return of Income:

The Finance Act, 2021, has *inter alia*, inserted the provisions of Section 206AB of the Act with effect from 1<sup>st</sup> July 2021. The provisions of Section 206AB of the IT Act requires the deductor to deduct tax at higher of the following rates from amount paid / credited to 'Specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The 'specified person' means a person who has:

- a) not filed return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and
- b) to the aggregate of tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in that previous year.

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The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of specified person for the purpose of Section 206AB of the Act.

## **PAYMENT OF DIVIDEND**

The Dividend for FY 2023-24 will be paid after deducting the tax at source as under:

### **A. For Resident shareholders:**

- Nil in case the total dividend paid is up to Rs. 5,000/-.
- Nil for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhar. *Please note that the duly filled up forms submitted through your registered email id will be accepted.*
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act, 1961.
- 10% for resident shareholders in case PAN is provided / available.
- 20% plus applicable surcharge and cess, for resident shareholders in case PAN is not provided / not available/ PAN-Aadhar linking not done/ non-filers of Return of Income.

### **B. For Non-resident shareholders:**

- 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.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted or if found inadequate/invalid (including FII/ FPI).
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

### **C. For shareholders having multiple accounts under different status / category:**

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.

### **D. Declaration under Rule 37BA:**

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules. **We request you to provide these declarations in the prescribed form on or before June 10, 2024. Any documents submitted after the said date shall not be considered.**



## SECTION B: SUBMISSION OF TAX RELATED DOCUMENTS:

### Resident Shareholders

The aforementioned documents can be uploaded on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on **or before June 10, 2024** 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 below mentioned email ids, **mentioning the name of the Company i.e. Tata Chemicals Limited, in the subject line:**

<b>Resident shareholders to send to</b>	:	<a href="mailto:csg4exemptforms2425@linkintime.co.in">csg4exemptforms2425@linkintime.co.in</a>
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### Non-Resident shareholders

Non-Resident Shareholders are requested to send the scanned copies of the documents mentioned above at the below mentioned email ids, **mentioning the name of the Company i.e. Tata Chemicals Limited, in the subject line:**

<b>Non-Resident shareholders to send to</b>	:	<a href="mailto:tdsdivnr@tatachemicals.com">tdsdivnr@tatachemicals.com</a>
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These documents should reach us **on or before June 10, 2024** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post June 10, 2024. It may be further noted that in case the tax on said 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.

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>

### **NOTES**

- 1) The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.
- 2) 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.
- 3) Shareholders whose valid PAN is updated with us / our RTA, will 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/>
- 4) This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

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