



POLYCHEM LIMITED
CIN: L24100MH1955PLC009663

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Date: June 13, 2025

Dear Shareholder,

We are pleased to inform you that the Board of Directors at its Meeting held on May 14, 2025, have recommended a Final Dividend of Rs.20.00 (200%) per Equity share of Rs.10/- each for the financial year ended March 31, 2025. 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. 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 2025-26 does not exceed Rs. 10,000.

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 2025-26 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. 10,000.

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 2025-26. 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 2025-26 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 2025-26.

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 June 30, 2025. 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. 10,000	NIL
If Dividend income > Rs. 10,000	- 10% in case where PAN is provided / available - 20% , in other cases where PAN is not provided / not available
Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department <u>Documents required</u> Copy of PAN card

	Copy of lower tax withholding certificate obtained from Income Tax Department
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, MUFG Intime India Private Limited at its dedicated link mentioned below <https://web.in.mpms.mufig.com/formsreg/submission-of-form-15g-15h.html> or before **June 30, 2025, 6.00 p.m. Indian Standard Time (IST)** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. **The e-mail communication in this regard sent to RTA or Company shall not be considered.**
3. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
4. As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions are effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.
5. Shareholders holding shares under multiple accounts under different residential status/category and single PAN, may note that, higher of the tax rate as applicable to different residential status/category will be considered for their entire shareholding under different accounts.

No communication on the tax determination/deduction in respect of the said dividend shall be entertained **post June 30, 2025, 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/foportal/#/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.

Please note that as per SEBI Master Circular dated May 7, 2024 read with Circular dated June 10, 2024, it is mandatory for all the shareholder(s) holding shares in physical form to update their PAN, Contact Details (Postal Address with PIN code and Mobile Number), Bank A/c details and Specimen Signature for their corresponding folio. In case if any of such details/documents are not registered with the Company, such folio(s) shall be considered as KYC non-compliant, and such shareholder(s) shall be eligible to receive any dividend/interest payments only through electronic mode upon updation of the required details with RTA.

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

Disclaimer: This Communication is not to be treated as advice from the Company or its affiliates or MUFG INTIME INDIA PRIVATE LIMITED (Formerly 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.