



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

IOLCP/CGC/2021
16th September 2021

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Security Symbol: IOLCP

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
Security Code: 524164

Subject: Communication regarding Tax deducted at source (TDS) on Final Dividend for the Financial Year 2020-21

Dear Sir,

In terms of the applicable provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020 any dividend paid or distributed by a Company is taxable in the hands of the members. The Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend, if declared, at the AGM. In this regard, the Company has sent email on 15th September 2021 to the shareholders of the Company.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of said communication.

Thanking You,
Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited


Abhay Raj Singh
Vice President & Company Secretary





IOL Chemicals and Pharmaceuticals Limited

CIN: L24116PB1986PLC007030

Regd Office: Village & Post Office Handiaya, Fatehgarh Channa Road, Barnala, 148107, Punjab (India)

Tel: 01679-285285-86 Fax: 01679-285292

E-mail: investor@iolcp.com Website : www.iolcp.com

Date: 15th September 2021

Folio / DP Id & Client Id No:

Name of the Shareholder:

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on 4th June 2021, have recommended a final dividend of Rs.2/- (Rupees two only) per equity share of face value of Rs. 10/- each for the financial year 2020-21, subject to approval of the shareholders at the 34th Annual General Meeting ("AGM") of the Company to be held on 18th September 2021.

The record date for the purpose of final dividend is 11th September 2021. The dividend would be paid to the eligible shareholders within a period of 30 days from the date of AGM, electronically, through various online modes to those members who have updated their bank account details or through any other permissible mode.

As you are aware that that 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 1st April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

Hence, the shareholders are advised to update their PAN with the Depository Participant, if shares are held in Demat form and with the Registrar and Share Transfer Agent of the Company, if shares held in Physical form. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during F.Y. 2021-22 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to

individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / NIL withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

Specified person under section 206AB:

- TDS shall be deducted at the rate of 20 percent, in case of resident shareholders falling within the meaning of a 'specified person' as per Section 206AB(3) of the IT Act i.e. a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous 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 of the IT Act has expired; and the aggregate of tax deducted at source and tax collected at source in his case is Rs. 50,000 or more in each of these two previous years.
- The list of 'specified person' for the purpose of section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department as per the CBDT Circular No. 11/2021 dated 21.06.2021.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders shall be required to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962.
- Copy of Tax Residency Certificate for F.Y. 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by member.
- Self-declaration in Form 10F.
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

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 to be provided.

Kindly note that the aforementioned documents should be uploaded at the website of our RTA at <https://einward.alankit.com> on or before 20th September 2021. No communication would be accepted from members after 20th September 2021 regarding tax withholding matters.

For IOL Chemicals and Pharmaceuticals Limited

Abhay Raj Singh
Vice President & Company Secretary

Disclaimer: This Communication is not to be treated as advice from the Company or its affiliates or Registrar and Share Transfer Agent of the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional.