

August 5, 2024

VCL/SE/28/2024-25

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 516072
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East),
Mumbai -400 051
NSE Symbol : VISHNU
Through : NEAPS

Sub: Communication in respect of deduction of tax at source on dividend pay-out

Dear Sir,

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, Dividend Distribution Tax is 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 on August 5, 2024 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 along with the necessary annexures.

This communication can also be accessed on the website of the Company <https://vishnuchemicals.com/>

This is for your information and records.

Thanking you.

Yours faithfully,

For Vishnu Chemicals Limited

Vibha Shinde
Company Secretary & Compliance Officer



CIN: L85200TG1993PLC046359

Regd. Off: Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096

Tel: 040-23396817, 23327723/ 29; Fax: 040-23314158

Website: www.vishnuchemicals.com; Email id: investors@vishnuchemicals.com

Date: August 5, 2024

URGENT & IMPORTANT

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on May 25, 2024, recommended a Final Dividend of Rs. 0.30 per Equity Share of Rs.2/- each (i.e.,15%) for the Financial Year ended March 31, 2024, and the said Final Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on Friday September 27, 2024.

The record date fixed for determining the eligibility of Members for payment of dividend is Friday, September 20, 2024. The dividend would be paid to the eligible members within a period of 30 days from the date of AGM, i.e., on or before October 27, 2024, electronically, through various online modes or any other permissible modes to those members who have updated their bank account details with their Depository Participants ("DPs").

As per the Income Tax Act, 1961, as amended by the Finance Act, 2020 ("the Act"), dividends paid or distributed by a Company after April 1, 2020, is taxable in the hands of the shareholders. The Company is, therefore required to deduct tax at source ("TDS") from dividend paid to the members at the applicable rates.

TDS rate may vary depending on the residential status of the shareholder and the documents submitted to and accepted by the Company under the provisions of the Act.

Table 1: TDS to be deducted at higher rate in case of non-filers of Return of Income (Section 206AB):

Particular	Applicable TDS rate
Section 206AB of the Income Tax Act, 1961 ("IT Act"), effective from July 1, 2021, higher of rates of tax would be deducted in case of payments to 'Specified Persons'	At twice the rate specified in the relevant provision of the Act; Or At the rate of 5%

'Specified Person' means a person who has:

- a. not filed the income tax return for the previous year immediately prior to the financial year in which tax is required to be deducted, for which the time limit for filing the return of income under Section 139(1) of the Act has expired; and
- b. the aggregate of tax deducted at source ('TDS') and tax collected at source ('TCS') is INR 50,000 or more in that previous year.

A Non-resident who does not have the permanent establishment in India is excluded from the scope of a Specified person.

For specified persons who have not submitted their Permanent Account Number ('PAN') as well as not filed their return of income tax shall be deducted at the higher of the two rates prescribed under Sections 206AA and 206AB of the Act.

Further as per Section 139AA of the IT 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 with this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act.

The Tables below summarize the applicable TDS provisions in accordance with the provisions of the IT Act, for various member categories, including Resident/Non-Resident members.

Table 2: Resident Members:

For Financial Year 2024-25 taxes shall be deducted at source under Section 194 of the IT Act as follows:-

Section	Category of Members	Applicable Tax rate	Exemption applicability/ Documentation requirements
194	Members having valid PAN	10% or as notified by the Government of India	Update valid PAN if not already done with respective depositories
206AA and 206AB	Members not having PAN / invalid PAN; and Members who have not filed their Income-tax returns in the last financial year (Specified Person as per Section 206AB of the Income-tax Act)	20%	Update valid PAN if not already done with respective depositories

However, no tax shall be deducted on the dividend payable to a Resident Member (Individual), if the total dividend to be received by them during Financial Year 2024-25 does not exceed ₹ 5,000. **Where the PAN is either not registered or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or @ 20%.**

Table 3: The following Resident Members will be eligible for NIL/lower rate of TDS upon providing the documents to the Company mentioned hereunder to the satisfaction of the Company

Section	Category of Members	Applicable TDS rate	Documentation requirement
194	Insurance Companies	NIL	<ul style="list-style-type: none"> • A self-declaration that they are covered by the second proviso to Section 194 of the Income-tax Act, 1961 and has full beneficial interest with respect to the shares owned by it; • Self-attested copy of IRDAI registration certificate; and • Self-attested copy of PAN.
196	Mutual Funds specified under Section 10(23D)	NIL	<ul style="list-style-type: none"> • A self-declaration that they are governed by the provisions of Section 10(23D) of the Income-tax Act, 1961; • Self-attested copy of SEBI registration certificate; and • Self-attested copy of PAN.
196	Government, Reserve Bank of India (RBI), Specified Corporations established by or under Central Act whose income is exempt from tax	NIL	<ul style="list-style-type: none"> • A self-declaration that they are governed by the provisions of Section 196 of the Income-tax Act, 1961 read with circular issued under. • Self-attested copy of relevant registry documents • Self-attested copy of PAN
197(1F)	Alternative Investment Funds (AIF)	NIL	<ul style="list-style-type: none"> • A self-declaration that the income of the AIF is exempt under Section 10(23FBA) of the Income-tax Act, 1961 and that they are governed as Category I or Category II AIF under the SEBI regulations; • Self-attested copy of SEBI registration documents; and • Self-attested copy of PAN.
197	All resident shareholders holding Lower Deduction Certificate or Nil Deduction Certificate	Rate specified in the lower deduction certificate issued by Income tax	<ul style="list-style-type: none"> • Self-attested copy of certificate under section 197 of the Act • Please note the TAN of the Corporation/ Company to be mentioned in the lower deduction certificate as MUML13465E • Self-attested copies of PAN
197A (1) and 197A(1A)	Resident individuals submitting Form 15G/ 15H	NIL	<ul style="list-style-type: none"> • Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. • Self-attested copy of PAN.

Note: Application of NIL rate at the time of tax deduction / withholding on the dividend is subject to completeness and satisfactory review by the Company/RTA, of the documents submitted by such Member.

Transferring credit to the beneficial owner:

As per Rule 37BA, in cases where the dividend is received in the hands of one person but is assessable in the hands of other person, the tax may be deducted in the name of such other person if the first-mentioned person provides a declaration as prescribed in this regard. The aforesaid declaration shall contain (i) name, address, PAN, and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. We request you to provide any such details latest by 11:59 p.m. (IST) on Friday, September 6, 2024.

Table 4: Non-Resident Members:

Section	Category of Members	Applicable TDS rate	Documentation requirement
195 and 196D	Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% plus applicable surcharge and cess or as notified by the Government of India	<ul style="list-style-type: none"> Rate to be increased by applicable surcharge & cess. They are entitled to avail beneficial tax rate if any under Double Taxation Avoidance Agreements if documents referred in below are duly submitted.
197	All Non-resident shareholders holding Lower Deduction Certificate	Rate specified in the lower deduction certificate issued by Income tax	<ul style="list-style-type: none"> Self-attested copy of certificate under section 197 of the Act Please note the TAN of the Corporation/Company to be mentioned in the lower deduction certificate as MUML13465E Self-attested copies of PAN
206AB	Non-resident shareholders having Permanent Establishment (PE) in India and who is a specified person as per section 206AB	Twice the applicable rate would be applied	<ul style="list-style-type: none"> Self-attested copies of PAN

Availing Benefits of DTAA by Non-Resident Members:

Pursuant to provision of Section 90 of the Act, the non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") 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 Tax Treaty benefits, the non-resident member will have to provide the following:

- a. Self-attested copy of Permanent Account Number (PAN) if allotted, by the Indian Income Tax Authorities.
- b. Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority or tax authority of the country of which Member is tax residence, evidencing and certifying Member's tax residency status in the country of residency during the Financial Year 2024-25;
- c. Electronically Filed Form 10F on Income Tax Portal as per Notification No. 03/2022 dated 16th July 2022 issued by the Income Tax Department
- d. Self-declaration in the format enclosed, certifying that -
 - i. Member is and will continue to remain a tax resident of the country of its residency during the Financial Year 2024-25;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Member is the ultimate beneficial owner of the share(s) held in the Company as well as the dividend arising from such shareholding; and the member has the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person;
 - v. Member declares that it does not have and will not have any taxable presence, fixed base or permanent establishment in India as per the said tax treaty during the financial year 2024-25; and
 - vi. Member hereby confirms that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

General instruction for Members:

1. The Shareholders holding shares under multiple accounts under different status/categories 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.
2. In the case of persons categorized as a specified person as per Section 206AB, a higher rate of 40% (plus applicable surcharge and cess) shall apply if the non-resident has a permanent establishment ('PE') in India. For this purpose, the expression PE includes a fixed place of business through which the business of the non-resident is wholly or partly carried on. 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.
3. To receive dividend amount directly in bank account, we request you to update your bank account details and Permanent Account Number (PAN) with Depository Participant.
4. Members will also 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/> <https://eportal.incometax.gov.in/iec/foportal/#/login>

No claim shall lie against the Company for such taxes deducted.

In the event of any demand for income tax (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any relevant proceedings.

Submission of Tax Related Documents:

Resident & Non-Resident Shareholders

The aforesaid forms/ declarations, as may be applicable, can be downloaded at <https://www.bigshareonline.com/Resources.aspx> and the same shall be duly filled & signed and submitted either in physical form through courier/ post or a scanned copy of the same can be sent to the Company/ RTA at investors@vishnuchemicals.com/bsshyd@bigshareonline.com on or before Friday, September 6, 2024, upto 11.59 pm (IST), to enable the Company/ RTA to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post due date shall not be considered.

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 and claim an appropriate refund, if eligible. However, no claim shall lie against the Company for such taxes deducted.

The Company will arrange to email a soft copy of the TDS certificate to the shareholders registered valid email ID in due course, post payment of the said Final Dividend.

We request your cooperation in this regard.

Thanking you,

Yours Sincerely,

For Vishnu Chemicals Limited

Sd/-

Vibha Shinde

Company Secretary & Compliance Officer