



22nd July, 2023

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE Code: 500645

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Code: DEEPAKFERT

**Subject: Communication to Shareholders regarding Tax Deduction at Source (TDS)
/ withholding tax on Dividend**

Dear Sir / Madam,

In reference to the captioned subject, please find enclosed an email communication which has been sent to all the Shareholders whose email addresses are registered with the Company/ RTA or Depositories inter alia indicating the process and documentation required to enable the Company to determine appropriate TDS/ withholding tax rate while making remittance of dividend.

We request you to take the same on your record.

Thanking you,
Yours faithfully,

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Gaurav Munoli
Company Secretary
A24931**

Encl: As above



DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Registered Office & Corporate Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411036

Tel: (91 20) 66458094 E-mail: investorgrievance@dfpcl.com Website: www.dfpcl.com

CIN: L24121MH1979PLC021360

21st July, 2023

Name of the Member :

Ref: Folio Number / DP ID & Client ID Number :

Dear Shareholder(s),

Subject: Deduction of tax at source on dividend

We are pleased to inform you that the Board of Directors of your Company at their meeting held on 17th May, 2023 has recommended a dividend of Rs 10/- (100%) per equity share having face value of Rs 10/- each, for the Financial Year ended 31st March, 2023. The dividend, as recommended by the Board, if approved at the 43rd Annual General Meeting, will be paid to the eligible shareholders within 30 days of the date of its declaration.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source u/s 194, 195 and 196D of Income Tax Act, 1961 depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

To enable us to determine appropriate withholding tax rate please note the following:

UPDATION OF MANDATORY INFORMATION BY ALL THE SHAREHOLDERS

All Shareholders are requested to ensure that the following details are updated, as applicable, through their depository participant (if shares are held in Dematerialized Form) or with the Registrar and Transfer agent in the Register of Members (if shares are held in Physical Form), on or before 15th August, 2023:

1. Residential status as per the Income Tax Act, 1961 i.e., Resident or Non Resident for FY 2023-24
2. Valid Permanent Account Number (PAN) (Refer Note-1)
3. In case of individual shareholders, Aadhaar number (in addition to PAN)
4. Category of shareholders:
 - Mutual Fund
 - Insurance Company
 - Alternate Investment Fund (AIF) Category I and II
 - AIF Category III: Located in any International Financial Services Centre (IFSC) of which all the units are held by non-residents other than unit held by a sponsor or manager
 - AIF Category III: Others
 - Government (Central/State)

- Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
- FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
- Individual
- Hindu Undivided Family (HUF)
- Firm
- Limited Liability Partnership (LLP)
- Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
- Trust
- Domestic company
- Foreign company
- Others (specify category)

5. Email ID

6. Address

7. Contact number

Note1: If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN within prescribed timelines, to avoid deduction of tax at higher rates.

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned details as available on record date, as per the list of beneficial owners provided by the depositories (in respect of shares held in dematerialised form) / and/or as per the Register of Members (in respect of shares held in physical form) and tax would be deducted wherever applicable.

TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDERS

RESIDENT

SHAREHOLDERS

For resident shareholders, generally, the tax will be deducted at source (TDS) under Section 194 of the Act at the rate of 10% on the amount of dividend declared and paid by the Company during FY 2023-24 provided valid Permanent Account Number (PAN) is provided by the shareholder. Shareholders are requested to ensure 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 / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%. If PAN is not submitted/is inoperative/is invalid, TDS would be deducted @ 20% as per Section 206AA of the Act.

Resident

individual

shareholders

In the case of resident individuals, TDS would not apply if the aggregate of total dividend distributed or paid to them by the Company during FY 2023-24 does not exceed Rs. 5,000.

Separately, TDS will not be deducted in cases where a shareholder provides a written declaration in prescribed Form 15H (for individual at or above the age of 60 years with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) / Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax as per the provisions of the Act), subject to eligibility conditions being met.

Blank Form 15G and 15H can also be downloaded from the link given at the end of this communication or from the website of the Company viz. <https://www.dfpci.com/forms>. Needless to mention, PAN will be mandatorily required along-with such declarations. 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 or the form is otherwise incomplete in any manner.

Resident shareholders (other than individuals):

In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Act, no tax shall be deducted at source ('nil rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

- **Insurance Companies:** Self declaration by public & other insurance companies that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and that it has a full beneficial interest with respect to the shares owned by it along with PAN. Self-attested copy of valid IRDAI registration certificate also needs to be submitted.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10 (23D) of the Act along with a self-attested copy of PAN card and copy of 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 Act and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and SEBI registration certificate.
- **New Pension System (NPS) Trust:** Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with 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.
- **Recognized Provident Fund/ Approved Superannuation Fund/ Approved Gratuity Fund :** Self-attested copy of a valid order from Commissioner under Rule 2 of Part B or Rule 2 of Part C or Rule 3 of Part A, of Fourth Schedule to the Act, as the case may be, and/ or self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the fund being established under a scheme framed under the applicable statute needs to be submitted along with a self-attested copy of the PAN card.
- **Corporation established by or under a Central Act which is, under any law for the time being in force,** exempt from income-tax on its income: - Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Act and/ or who are covered u/s 196 of the Act and/or any other provisions of the Income Tax Act, 1961 (e.g.: entities as provided in CBDT Circular No.18 of 2017), shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of it being entitled to the exemption available.

In addition to the above, above-mentioned entities should also give declaration as per Annexure 1.

The Company is not obligated to consider nil rates at the time of tax deduction / withholding on dividend amounts. Application of nil rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

NON-RESIDENT SHAREHOLDERS OR FOREIGN COMPANIES ('non-resident payee') For non-resident person or foreign company being the shareholders, ('non-resident payee'), tax is required to be withheld in accordance with the provisions of Section 195 and / or section 196D of the Act at applicable rates in force. As per the applicable provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable.

Further, as per Section 90 of the Act, a non-resident payee has the option to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder if they are more beneficial to the shareholder subject to fulfilment of prescribed conditions. In such case, the tax shall be withheld at such lower rate as prescribed in the tax treaty, on the amount of dividend payable. For this purpose, i.e., to avail the tax treaty benefits, the non-resident payee will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN Card), if any allotted by the Indian Income Tax authorities;
- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the period between April 1, 2023 to March 31, 2024. 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 be provided
- In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) tax residency certificate from the Government of that country or specified territory (f) Tax Identification Number of the residency country;
- Self-declaration in Form 10F for FY 2023-24 for Non-resident shareholders who have PAN and propose to claim treaty benefit 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 tax treaty. However, in view of the CBDT notification vide F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227, dated 12-12-2022 and F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420, dated 28-03-2023, Non-resident taxpayers not having PAN and also not required to have PAN as per the relevant provisions of the Income Tax Act, 1961 have been exempted from mandatory electronic filling of Form 10F till 30th September 2023. Therefore, such category of taxpayers may make the statutory compliance of furnishing of Form 10F in manual mode till 30th September 2023 (Format attached herewith can be downloaded from the link given at the end of this communication as Annexure 2 or from the website of the Company viz. <https://www.dfpl.com/forms>);
- Self-declaration by the non-resident payee of meeting tax treaty eligibility requirements including fulfillment of the Principal Purpose Test, No Permanent Establishment / fixed base in India, satisfying the beneficial ownership requirement in accordance with the applicable tax treaty; if any, under the applicable tax treaty (Format attached herewith can be downloaded from the link given at the end of this communication as Annexure 2 or from the website of the Company viz. <https://www.dfpl.com/forms>);
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, in addition to the above details, copy of SEBI registration certificate will also be required.

It is imperative that shareholders independently satisfy their eligibility to claim tax treaty benefit including meeting all conditions laid down by tax treaty.

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

Notwithstanding anything contained in other part of this communication, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A of the Act .

TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME (Specified Person u/s.206AB of the Act):

The provisions of Section 206AB of the Act require 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:

- Not furnished the 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 for furnishing the return of income under sub-section (1) of section 139 has expired ; and
- the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

The non-resident who does not have the permanent establishment in India is excluded from the scope of a specified person for the purpose of section 206AB. Accordingly, if a non-resident shareholder is found to be a specified person as per reporting under section 206AB and such shareholder does not furnish a no PE declaration, higher rate shall be applied.

Notwithstanding anything contained in other part of this communication, for Shareholders who are identified as "specified persons" under Section 206AB of the Act, higher tax rate as applicable would be deducted. The Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

LOWER WITHHOLDING CERTIFICATE (RESIDENT AS WELL AS NON-RESIDENT SHAREHOLDERS)

Notwithstanding anything contained in other part of this communication, in the case where the shareholders provide a certificate under Section 197 of the Act 1961 for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

DIVIDEND INCOME ASSESSABLE IN THE HANDS OF PERSON OTHER THAN DEDUCTEE

If in terms of Rule 37BA of the Income Tax Rules 1962 ('the Rules'), the dividend income on which tax has to be deducted at source is assessable in the hands of a person other than the deductee, then such deductee should also file a declaration with Company in the manner prescribed in the Rules. The format of Declaration for the same is attached as Annexure 3.

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.

Subject to what is stated above, the rate at which taxes are to be deducted at source based on the category of shareholders, are as under:

Shareholder Category	Rate of TDS
Resident Shareholders	
Shareholders providing Form 15G/15H	NIL
If Dividend income ≤ 5000	NIL
If Dividend income > Rs. 5,000	- 10% in case where PAN is provided / operative/valid/linked with Aadhar - 20% , in other cases where PAN is not provided / not available/inoperative/not linked with Aadhar/non-filers of return of income u/.206AB
Non-resident Shareholders	
Non-resident Shareholders	- *20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned. - *40% in case where shareholder is non-filer of return of income u/s. 206AB and not furnished No PE declaration

Kindly note that the aforementioned document should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15> or emailed to einward.ris@kfintech.com on or before 15th August, 2023 in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post 15th August, 2023.

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, but no claim shall lie against the Company for such taxes deducted.

The Company will arrange to send TDS certificate in Form 16A in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at incometaxindiaefiling.gov.in.

The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the shareholders are advised to consult their own tax consultants with respect to specific tax implications arising out of receipt of dividend.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided / to be 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.

We also request you to register your email IDs, mobile numbers and update your bank account details with your Depository Participant for receiving electronic credit of dividends directly into your bank accounts, in case you are holding shares in electronic form or with the RTA in case of holdings in physical form.

We request your cooperation in this regard.

Thanking you,

Yours faithfully,

For **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED**

Sd/-

Gaurav Munoli

Company Secretary

Membership No.: 24931

Click	Here	to	download	-	15H
Click	Here	to	download	-	15G
Click	Here	to	download	-	10F
Click	Here	to	download	-	Annexure 1 Resident Self declaration
Click	Here	to	download	-	Annexure 2 Non Resident Self declaration
Click	Here	to	download	-	Annexure 3 Declaration for custodian/intermediaries

Note: Please mention DP ID/ CL ID or Folio number in all future communication.

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

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