

Godrej Agrovet Ltd.  
Registered Office : Godrej One,  
3rd Floor, Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (E), Mumbai 400 079, India.  
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Email : gavlho@godrejagrovet.com  
Website : www.godrejagrovet.com  
CIN : L15410MH1991PLC135359

**Date:** July 28, 2021

To,  
**BSE Limited**  
P. J. Towers, Dalal Street,  
Fort, Mumbai – 400 001

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051

**Ref.:** BSE Scrip Code No. "540743"

**Ref.:** "GODREJAGRO"

**Sub.: Communication to the Shareholders regarding change in Income Tax Rules w.r.t. Tax Deduction at Source on Dividend for the Financial Year 2020-21**

Dear Sir/Madam,

Please find enclosed herewith an email communication which has been sent on Tuesday, July 27, 2021, to all the shareholders who have their email address registered with the Company, informing about the changes in Income Tax Rules w.r.t. Tax Deduction at source on Dividend, the process to be followed and the link to submit the necessary documents/Forms with the Company for claiming exemption from deduction of tax at source on dividend for the Financial Year 2020-21.

Kindly take the above information on your records.

Thanking you.

Yours sincerely,  
For **Godrej Agrovet Limited**

**Vivek Raizada**  
**Head – Legal & Company Secretary & Compliance Officer**  
(ACS 11787)

**Encl.:** As above





## **GODREJ AGROVET LIMITED**

**Registered Office:** "Godrej One", 3<sup>rd</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079, Maharashtra

Email: [gavlinvestors@godrejagrovat.com](mailto:gavlinvestors@godrejagrovat.com); Website: [www.godrejagrovat.com](http://www.godrejagrovat.com),

Tel.: +91 22-2519 4416, Fax: +91 22-2519 5124

**Corporate Identity Number (CIN):** L15410MH1991PLC135359

Dear Shareholder,

### **Sub.: Communication in respect of Deduction of Tax at Source on Final Dividend**

The Board of Directors of **Godrej Agrovat Limited** ("the Company"), at its Meeting held on May 7, 2021, has recommended a Final Dividend at the rate of 80% (Eighty per cent) on the Equity Share Capital of the Company, i.e., Rs.8/- (Rupees Eight Only) per Equity Share of Face Value of Rs.10/- (Rupees Ten Only) for the Financial Year ended March 31, 2021, subject to approval of the Shareholders at the ensuing 30<sup>th</sup> (Thirtieth) Annual General Meeting ("AGM") of the Company, to be held on **Tuesday, August 10, 2021 at 4.00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Register of Members and Share Transfer Books of the Company will remain closed **from Friday, August 6, 2021 to Monday, August 9, 2021 (both days inclusive)** for annual closing and determining the entitlement of the Shareholders to the Final Dividend, if declared by the Shareholders, for the Financial Year 2020-21. The Final Dividend, if declared at the AGM, will be paid to the Shareholders whose names appear in the Register of Members of the Company as on **Thursday, August 5, 2021** in respect of shares held in physical form and in respect of shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as the beneficial owners as on that date.

Shareholders may please note that in accordance with the provisions of the Income Tax Act, 1961, as amended by and read with the provisions of the Finance Act, 2020, dividend declared and paid by the Company with effect from 1<sup>st</sup> April, 2020, is taxable in the hands of Shareholders and the Company is required to deduct tax at source ("TDS") from dividend paid to the Shareholders at the applicable rates.

#### **(A) For Resident Shareholders:**

For Resident Shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 at rate in force (at present 10%) on the amount of Final Dividend declared by the Company for the Financial Year 2020-21 (payment to be made during the Financial Year 2021-22), provided valid Permanent Account Number (PAN) is registered by the Shareholder.

If PAN is not registered, TDS would be deducted at rate in force (at present 20% plus applicable surcharge and cess) as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by such resident individual during the Financial Year 2021-22 does not exceed Rs.5,000/- (Rupees Five Thousand Only). Please note that this includes future dividends, if any, which may be declared by the Company during the Financial Year 2021-22.

Separately, in cases where a Shareholder provides Form 15G (applicable to any resident person other than a company or a firm) / Form 15H (applicable to a resident individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

**(B) For Resident Shareholders (Other than Resident Individuals):**

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

**I. For Mutual Fund Shareholders:**

For Mutual Fund Shareholders, TDS is exempt under Section 10(23D) of the Income Tax Act, 1961, provided Mutual Funds provide Securities and Exchange Board of India (SEBI) Registration / Central Board of Direct Taxes (CBDT) notification and a self-declaration that their income is exempt under Section 10(23D) of the Income Tax Act, 1961.

**II. For Insurance Companies:**

Declaration by Shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card.

**III. For Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI):**

For Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the Income Tax Act, 1961, at applicable rate, including surcharge and cess.

**IV. For Alternative Investment Fund (AIF) established in India:**

Declaration that the Shareholder is eligible for exemption under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN Card should be provided.

**V. Other Resident Non-Individual Shareholders:**

Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and/ or who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit an attested copy of the PAN Card along with the documentary evidence in relation to the exemption available.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident Shareholders, by the Company.

**(C) For Other Non-Resident Shareholders:**

For Other Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961, and Section 196D of the Act at applicable rates in force. As per the relevant provisions of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.

However, as per Section 90 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 (DTAA) 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 the Tax Treaty benefits, the Non-Resident Shareholder is required to provide the following:

1. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident;
2. Self-declaration in Form 10F;
3. Self-attested copy of the Permanent Account Number (PAN) Card allotted by the Indian Income Tax Authorities;
4. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
5. Self-declaration, certifying the following points:
  - i) Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
  - ii) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii) Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - v) Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.

Please note that 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, of the documents submitted by Non-Resident Shareholder.

**For the Attention of all Shareholders:**

Shareholders may download Form 15G / 15H and Form 10F from the website of the Company's Registrar and Share Transfer Agent, viz., KFin Technologies Private Limited ("KFintech" or "RTA") KFintech's at weblink <https://ris.kfintech.com/form15> and submit the duly filled forms/documents at <https://ris.kfintech.com/form15> for updating against their Folios/Client/DP Ids. The aforesaid declarations and documents need to be submitted by the Shareholders so as to reach on or before **Tuesday, August 3, 2021 by 11.59 p.m. (IST)** to KFintech.

It may please be noted that Forms received after the said date and incomplete or incorrect forms shall not be considered and shall not be eligible for non-deduction or lower deduction of tax.

In case of any queries / difficulties in submission of these forms, Shareholders may write to KFinTech at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

**DEEMED DECLARATION BY SHAREHOLDERS ON SUBMISSION OF FORM 15G/15H:**

Upon submission of Form 15G / Form 15H by a Shareholder, it will be deemed to be declared by the Shareholder that:

- (a) the Shareholder satisfies the requisite criteria for submission of the same and takes full responsibility for availing the TDS deduction exemption;
- (b) the Company or KFinTech will not be held responsible / liable and no claims shall lie against them in this regard;
- (c) the online submission of the Form 15G/Form 15H (if made) shall be deemed to have been signed by the Shareholder and submitted in original.

The Company will arrange to email a soft copy of TDS Certificate to the Shareholder at the Shareholder's registered e-mail ID in due course or make available the same on the website of the Company.

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 a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to the RTA, KFin Technologies Private Limited on their e-mail address [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

Further, Shareholders holding shares in physical mode and who have not registered / updated their e-mail addresses with the Company are requested to update their e-mail addresses with KFinTech. Shareholder holding shares in dematerialized mode are requested to register / update their e-mail addresses with the relevant Depository Participant(s).

**UPDATION OF BANK ACCOUNT DETAILS FOR DIRECT CREDIT OF DIVIDEND:**

- a) **Shareholders holding shares in physical mode**, who have not provided the information regarding bank particulars, are requested to register/update their Bank details (e.g. name of the bank and the branch, bank account number, 9 digits MICR number, 11 digit IFS Code and the nature of account) with KFinTech at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) along with the copy of the signed request letter mentioning the name and address of the Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of the PAN Card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Shareholder along with a copy of latest cancelled cheque with the Shareholder's name.
- b) **Shareholders holding shares in electronic mode** are requested to register their Bank details with the relevant Depository Participant. This will enable the Company to make timely credit of dividend to the Shareholders in their respective bank accounts, especially in view of the prevailing

COVID-19 pandemic. For Shareholders who have not updated their bank account details, Dividend Warrants / Demand Drafts will be sent to their registered addresses subject to COVID restrictions and normalization of the postal services.

**UPDATION OF PAN, E-MAIL ADDRESS AND OTHER DETAILS**

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to KFintech. The Company is obligated to deduct tax at source based on the records available with RTA and no request will be entertained for revision of TDS return.

**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 July 1, 2021. 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:

- a) not filed return 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 has expired; and
- b) subjected to tax deduction and collection at source in aggregate amounting to Rs.50,000/- or more in each of such two immediate previous years.

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

In order to identify such non-filers, Central Board of Direct Taxes ("CBDT") has introduced a new utility 'Compliance Check for Section 206AB & 206CCA'. The Company will check for each of its Shareholders as to whether they qualify as a specified person or not as per Section 206AB of the Act. Based on the report generated from the government utility, the Company will apply higher withholding tax rate on such specified shareholders.

**To summarise**, dividend will be paid after deducting the tax at source as under:

Shareholder Category	Rate of TDS
<b>Resident Shareholders</b>	
Shareholders providing Form 15G/15H	NIL
If Dividend Income < Rs.5,000/-	NIL
If Dividend Income > Rs.5,000/-	- 10% in case where PAN is provided/ /return of income is filed for preceding 2 years

	- 20%, in other cases where PAN is not provided non-filers of return of income for preceding 2 years
<b>Non- Resident Shareholders</b>	
Non- Resident Shareholders	*20% (plus applicable surcharge and cess) or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

\* Higher rate as mentioned above shall be charged in a case of non-filers (specified person) of return of income under Section 206AB

**Disclaimer:** *This communication shall not be treated as an advice from the Company or its affiliates or KFin Technologies Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.*

We request for your kind co-operation in this regard.

**For Godrej Agrovet Limited**

**Sd/-**

**Vivek Raizada**

**Head – Legal & Company Secretary & Compliance Officer**

(ACS 11787)