



**ULTRAMARINE &  
PIGMENTS LTD.**

MANUFACTURERS OF INORGANIC PIGMENTS

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exports@ultramarinepigments.net  
www.ultramarinepigments.net



09-06-2021

**MANAGER – LISTING COMPLIANCE  
DEPARTMENT OF CORPORATE SERVICES,  
BSE LIMITED,  
P.J.TOWERS, 25TH FLOOR, DALAL STREET, FORT,  
MUMBAI – 400 001**

Dear Sirs,

**Sub: Communication to Shareholders – Intimation on Tax deduction on Dividend**

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication which has been sent to all the shareholders of the Company whose email IDs are 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 is also being made available on the website of the Company at [www.ultramarinepigments.net / investors/investors information](http://www.ultramarinepigments.net/investors/investors%20information).

This is for your information and records.

Thanking you  
For Ultramarine & Pigments Limited.,

  
[Kishore Kumar Sahoo]  
Company Secretary





**ULTRAMARINE & PIGMENTS LTD**

**CIN: L24224MH1960PLC011856**

**Thirumalai House, Road No.29, Near Sion Hill Fort, Sion (E),  
Mumbai - 400 022**

**Tel : +91-22-43686200, 6256, Fax : +91-22-24011699/24014754**

**E-mail: [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net)**

**Website: [www.ultramarinepigments.net](http://www.ultramarinepigments.net)**

**09<sup>th</sup> June,2021**

**Dear Shareholder,**

**THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Trust you and your family are safe and in good health !!

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on May 20, 2021, has recommended a dividend of Rs.5/- per fully paid-up equity Share of Rs.2/- each for the Financial Year ended March 31, 2021 subject to approval of shareholders at the ensuing 60<sup>th</sup> Annual General Meeting (AGM).

As you are aware, as per the Income Tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend, if approved, at the Annual General Meeting (AGM) of the Company scheduled to be held on July 12, 2021.

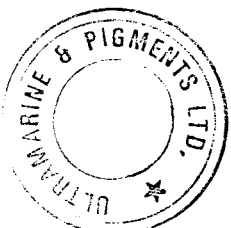
This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

**I. For Resident Shareholders -**

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

**a. Resident Individuals:**

No tax shall be deducted on the dividend payable to resident individuals if – Total dividend amount to be received by them during the Financial Year 2021-22 does not exceed Rs.5, 000/; or



- i. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law. Formats of Form 15G and 15H are enclosed as **Annexure 1** and **Annexure 2**, respectively.
- ii. Exemption certificate is issued by the Income-tax Department, if any.

Note:

1. Recording of the Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.

2. Shareholders are requested to ensure Aadhaar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhaar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%.

b. **Resident Non-Individuals:**

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in **Annexure 3**.

i. **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.

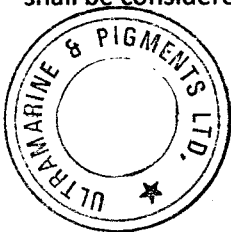
ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.

iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.

iv. **New Pension System (NPS) Trust:** 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.

v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

c. In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Income-tax Act, 1961, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

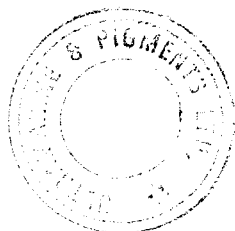


## II. For Non-resident Shareholders -

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act, as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.
- b. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (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 Tax Treaty benefits, the non-resident shareholders are required to provide the following:
  - i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. 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, (f) Tax Identification Number of the residency country (format attached herewith as **Annexure 4**).
  - ii. Self-attested copy of Tax Residency Certificate (TRC) (for the period April 2021 to March 2022) obtained from the tax authorities of the country of which the shareholder is a resident.
  - iii. Self-declaration in Form 10F (format attached herewith as **Annexure 5**).
  - iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the period April 2021 to March 2022) (format attached herewith as **Annexure 6**).
  - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors copy of SEBI registration certificate.
  - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.



c. In case of Global Depository Receipt (GDR) holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the Income Tax Act, 1961, only if they provide self-attested copy of the PAN Card. In case, no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, **we request you to provide these details and documents as mentioned, above, on or before June 20, 2021 (cut off period)** Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

### III. 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/collection at source in aggregate amounting to Rs.50,000 or more in each of such two immediate previous years.

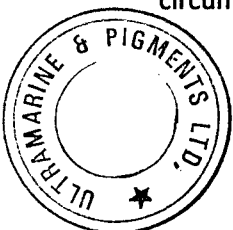
The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

### **PAYMENT OF DIVIDEND**

The dividend on Equity Shares for Financial Year 2020-21, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as under:

#### **A. FOR RESIDENT SHAREHOLDERS:**

- Nil withholding in case the total dividend paid is up to Rs.5,000/-.
- Nil withholding for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhaar. Please note that the duly filled up forms submitted through your registered email ID will be accepted in the present circumstances due to COVID-19.



- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Act.
- 10% for resident shareholders in case PAN is provided / available.
- 20% for resident shareholders in case PAN is not provided / not available/ PAN-Aadhaar linking not done/ non-filers of Return of Income.

**B. FOR NON-RESIDENT SHAREHOLDERS:**

- Tax treaty rate (based on tax treaty with India) for beneficial non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 10% plus applicable surcharge and cess for GDR holders if they provide self-attested copy of the PAN card in accordance with provisions of Section 196C of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the above mentioned documents are not submitted.
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

**C. FOR 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.

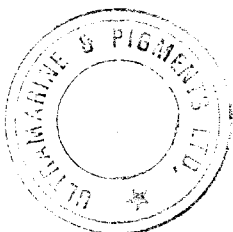
**SUBMISSION OF TAX RELATED DOCUMENTS:**

**Resident Shareholders**

The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, etc. can be uploaded on the link <https://investors.cameoindia.com> by 5.00 pm. IST June 20, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post June 20, 2021 shall not be considered.**

Resident Shareholders can also send the scanned copies of the documents mentioned above at the email ids mentioned below:

Email ID	<a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> / <a href="mailto:agm@cameoindia.com">agm@cameoindia.com</a>
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## **Non-Resident Shareholders**

Shareholders are requested to send the scanned copies of the documents mentioned above at the email ids mentioned below:

Email ID	<a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> / <a href="mailto:agm@cameoindia.com">agm@cameoindia.com</a>
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These documents should reach us **on or before June 20, 2021**.in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post June 20, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the 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.

### **UPDATION OF BANK ACCOUNT DETAILS:**

*In view of the ongoing COVID-19 pandemic, shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to make timely credit of dividend in their bank accounts. We seek your cooperation in this regard.*

*In terms of Rule 37BA of Income Tax Rules 1962 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules.*

*For any clarifications / queries, you may please contact our Registrar and Share Transfer Agents, M/s Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai 600 002 Ph. 28460390 to 28460395. Contact Person: Ms. R. Komala, Email: [investor@cameoindia.com](mailto:investor@cameoindia.com)/[agm@cameoindia.com](mailto:agm@cameoindia.com)*

**Yours truly,**  
**for Ultramarine & Pigments Ltd**  
**Sd/-**  
**Kishore Kumar Sahoo**  
**Company Secretary**

