



**Sub: J. B. Chemicals & Pharmaceuticals Ltd. – Final Dividend of FY 2021-22 Communication on Tax Deduction at source (TDS)/ withholding tax on Dividend**

**This communication is important and requires your immediate attention.**

Dear Shareholder,

We hope that this letter finds you in good health.

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on May 26, 2022, has recommended final dividend of Rs. 8.00/- per Equity Share of Rs. 2/- each for the financial year 2021-2022, which shall be remitted/dividend warrants in respect thereof will be despatched, on or after September 1, 2022, subject to approval of the shareholders of the Company at the Annual General Meeting to be held on August 24, 2022.

As you may be aware, pursuant to the changes introduced by the Finance Act 2020, with effect from April 1, 2020, dividend income will be taxable in the hands of shareholders and the Company would be liable to withhold tax at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them. Accordingly, the final dividend will be paid after deducting tax at source as under:

**For Resident Shareholders:**

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%*	Update PAN with the Company / Registrar and Transfer Agents (in case of shares held in physical mode) and depository (in case of shares held in demat mode).
Without/ Invalid/ Incorrect PAN	20%*	-

**Registered Office:**

J.B. Chemicals & Pharmaceuticals Limited,  
CIN: L24390MH1976PLC019380  
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Submitting Form 15G/ Form 15H	NIL	Duly filed and signed declaration in Form No. 15G (applicable to an individual) / 15H (applicable to an individual who is of the age of 60 years or above), along with self-attested copy of their PAN, in case, shareholder is eligible for the same.  Blank Form 15G/ 15H can be downloaded from the Company's website <a href="http://www.jbpharma.com">www.jbpharma.com</a>  Please note that all fields of Form 15G/15H are required to be filled mandatorily. Incomplete forms would be liable to be rejected by the Company.
Mutual Funds	NIL	Documentary evidence to prove that the mutual fund is specified under section 10(23D) of the Income Tax Act, along-with self-attested copies of the registration certificate and PAN.
Insurance companies	NIL	Documentary evidence to prove that the insurance company is specified under section 2(7A) of the Insurance Act, along-with self-attested copy of the registration certificate and PAN.
Domestic Alternative Investment Fund (AIF)	NIL	Documentary evidence to prove that the AIF is a fund eligible for exemption under section 10(23FBA) of the Income Tax Act and is registered as Category I or Category II AIF under SEBI regulations, alongwith self-attested copies of the registration certificate and PAN.
Submitting Order u/s 197	Rate provided in order	Lower/NIL withholding tax certificate obtained from tax authority.

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Shareholder to whom Section 194 is not applicable	NIL	Documentary evidence that the said provisions are not applicable
Person Covered u/s 196	NIL	Documentary evidence that person is covered under section 196

\* No TDS would be applied to resident individual shareholder, if total dividend paid in FY 2022-23 does not exceed INR 5,000.

**For Non-Resident Shareholders:**

Particulars	Applicable Rate	Documents required (if any)
<b>Non-resident shareholders (including FII/FPI)</b>	20% (plus applicable surcharge and cess) or Tax Treaty Rate** <b>(Whichever is lower)</b>	In order to apply the beneficial Tax Treaty rate, following documents would be required: 1) Copy of Indian Tax Identification number (PAN), if available 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident 3) Form 10F duly filled and signed 4) Self-Declaration from Non-resident. Principally, covering following: - Non-resident is eligible to claim the benefit of respective tax treaty - Non-resident receiving the dividend income is beneficial owner of such income - Dividend income is not attributable /effectively connected to any Permanent Establishment (PE) or Fixed Base in India.

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Submitting Order u/s 197	Rate provided in order	Lower/NIL withholding tax certificate obtained from tax authority.
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\*\* 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.

**TDS rate in case of taxpayers who have not filed income tax returns:**

The Finance Act, 1961 has inserted the provisions of Section 206AB of the Income Tax Act, 1961 with effect from July 1, 2021, pursuant to which the company would be liable to deduct tax at higher of the below rates on the dividend paid to 'specified persons':

- i) At twice the rate specified in the relevant provision of the Act; or
- ii) At twice the rate or rates in force; or
- iii) At the rate of 5%

'Specified Person' as defined under section 206AB means a person:

- a. Who has not filed income tax return for the previous year immediately prior to the financial year in which tax is required to be deducted, for which time limit for filing of return of income under section 139(1) has expired; and
- b. The aggregate of TDS or TCS in whose case is Rs. 50,000/- or more in the said previous year.

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

The Income Tax Department has issued a compliance check utility to check whether a person is covered under the 'specified person' as defined under Section 206AB of the Act.

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Accordingly, for determining the rate of tax to be deducted from Dividend, the Company will be using said utility to determine the applicability of Section 206AB of the Act.

***Kindly note that if any Non-Resident is a 'specified person' under the above-mentioned provisions (i.e. they have not filed tax returns for past year within due date and their aggregate of TDS or TCS exceeds INR 50,000 for the said year), a No PE Declaration should be submitted to the Company by August 17, 2022.*** In the event such declaration is not submitted, the Company shall apply withholding tax as per provisions of section 206AB.

**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 the shares are held under a single PAN will be considered on the entire holding under multiple accounts.

**Joint holding:**

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

**Updation of PAN, Contact information and Bank Account details:**

The Company urges the shareholders to update their details as below, along with self-attested copies of necessary supporting documents:

- i. PAN – to ensure tax is not deducted at a higher rate;
- ii. Email id., mobile number and registered address - to ensure receipt of timely communication from the Company;
- iii. Bank account details – Bank details viz. Name and address of the Bank, Bank Account number, IFSC and MICR are required to be updated to ensure prompt and timely credit of dividend;
- iv. Residential status, category and other information – to ensure proper rate of tax is applied on the dividend amounts.

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Shareholders holding shares in dematerialised mode are requested to update the above details through their depository participants. Shareholders holding shares in physical mode are requested to submit duly filled-in and signed Form ISR-1 to the Company or the Company's Registrars viz. Datamatics Business Solutions Limited to update the above details.

#### **Declaration under Rule 37BA**

In terms of Rule 37BA of the 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 such deductee should file declaration with Company in the manner prescribed in the Rules. **Such declarations should be submitted to the Company before the payment of dividend by the Company.** The draft format is available on the Company's website [www.jbpharma.com](http://www.jbpharma.com).

The aforesaid documents, as applicable, may be sent to the Company at its corporate office address at 'The Company Secretary, J. B. Chemicals & Pharmaceuticals Limited, Energy IT Park, Unit A2, 3<sup>rd</sup> floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025' or emailed at [secretarial@jbpharma.com](mailto:secretarial@jbpharma.com) **on or before August 17, 2022** to enable us to determine the appropriate TDS / withholding tax rate applicable. If any details/documents for tax determination/deduction are received post August 17, 2022, it shall not be considered for payment of final dividend.

In the event the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you by August 17, 2022, you may claim appropriate refund in the return of income filed by you with the Income Tax authorities.

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

We shall arrange to send a soft copy of TDS certificate to you on your registered email ID in due course, post payment of the said final dividend. You would be able to see the credit of TDS in Form 26AS, which you can download from e-filing account at <https://incometaxindiaefiling.gov.in>.

Yours faithfully,

**For J. B. Chemicals & Pharmaceuticals Ltd.**

**Sandeep Phadnis**  
**Company Secretary**

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