



**Sub: J. B. Chemicals & Pharmaceuticals Ltd. – Interim 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.

This is to inform you that the Board of Directors of the Company, at meeting held on February 14, 2022, has declared interim dividend of Rs. 8.50/- 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 March 4, 2022.

As you may be aware, pursuant to the changes introduced by the Finance Act 2020, with effect from April 1, 2020, 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. Further, the Company paid final dividend of Rs. 8 per equity share on September 17, 2021, and therefore tax would be considered on the aggregate amount of both the dividends as payment thereof would be in the same financial year. Accordingly, the interim dividend will be paid after deducting the 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 PAN	20%	-
Submitting Form 15G/ Form 15H	NIL	Duly filed and signed declaration in Form No. 15G (applicable to any person other than a Company or a Firm) / 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 www.jbcpl.com Fresh Form 15G/H would be required to be submitted to the Company if the 'Estimated income' and 'Estimated Total Income' mentioned in the form previously submitted by

		you during FY 2021-22 is lower than the aggregate dividend amount receivable by you for the aforesaid period. Please note that all fields of Form 15G/15H are required to be filled mandatorily, otherwise the forms are liable to be rejected by the Company.
Submitting Order u/s 197	Rate provided in order	Lower/NIL withholding tax certificate obtained from tax authority.
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 on resident individual shareholder, if total dividend paid in FY 2021-22 does not exceed INR 5,000.

For Non-Resident Shareholders:

Particulars	Applicable Rate	Documents required (if any)
Non-resident shareholders (including FII/FPI)	20% (plus applicable surcharge and cess) or Tax Treaty Rate** (Whichever is lower)	In order to apply the beneficial Tax Treaty rate, following documents would be required: <ol style="list-style-type: none"> 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: <ul style="list-style-type: none"> - 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.
Submitting Order u/s 197	Rate provided in order	Lower/NIL withholding tax certificate obtained from tax authority.

** 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 two previous years immediately prior to the previous 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 each of these two immediate previous years.

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. Accordingly, for determining TDS rate on 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 2 years within due dates and their aggregate of TDS or TCS exceeds INR 50,000 per year), a No PE Declaration should be submitted to the Company by February 24, 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 held under a single PAN will be considered on the entire holding under multiple accounts.

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.

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 update the above details with the Company or the Company's Registrars viz. Datamatics Business Solutions Limited.

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.jbcpl.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, Cnergy IT Park, Unit A2, 3rd floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025' or emailed at secretarial@jbcpl.com **on or before February 24, 2022** to enable us to determine the appropriate TDS / withholding tax rate applicable. If any details/documents for tax determination/deduction are received post February 24, 2022, it shall not be considered for payment of interim dividend.

In the event the tax on said interim dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you by February 24, 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 interim 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