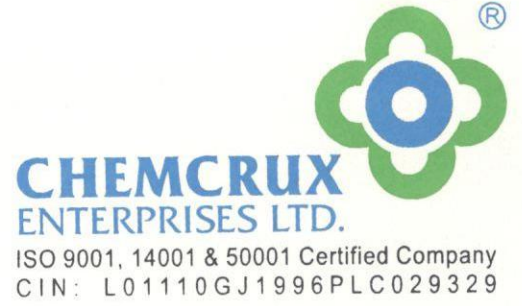


Regd. Office :-

330, TRIVIA Complex, Natubhai Circle,
Racecourse, Vadodara – 390007, Gujarat, INDIA
Phone : +91 265 2988903 / 2984803
Website : www.chemcrux.com
Email : girishshah@chemcrux.com



Date : 24/07/2020

To,
Corporate Relations Department,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Dear Sir/Madam,

Sub: Circular sent to Shareholders giving information on TDS for Final Dividend 2019-20
Ref: BSE Scrip ID: CHEMCRUX , BSE Scrip Code: 540395

With reference to the above subject kindly be informed that an Email communication has been sent to the Shareholders of **Chemcrux Enterprises Limited** on 23/07/2020, giving them detailed information about the applicability of tax deducted at source (TDS) as per the changes introduced by Finance Act, 2020, for Final Dividend (FY 2019-20), if declared at the ensuing 24th AGM and other procedural matters..

The communication sent to shareholders' has been attached to this letter. Kindly take this in your records.

Yours faithfully,
For, CHEMCRUX ENTERPRISES LIMITED

Ekta Kumari

Ekta Kumari Srivastava
Company Secretary and Compliance Officer



Factory

4712-14, GIDC, Road South - 10, Ankleshwar - 393002 (Gujarat) India.
Ph.: +91 2646 221427, 239737 | Email : sanjay@chemcrux.com



Regd. Office: 330 TRIVIA Complex, Natubhai Circle, Racecourse, Vadodara - 390007 Gujarat
CIN: L01110GJ1996PLC029329 **Phone No.** 0265-2984803 / 2988903
Email Id: girishshah@chemcrux.com | **Website:** www.chemcrux.com

July 23, 2020

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

Dear Shareholder,

We would like to inform you that the Board of Directors of the Company, at its meeting held on June 16, 2020, has recommended final dividend of Rs. 1.00/- (10%) per Equity Share of Rs. 10/- each for the financial year ended March 31, 2020. The dividend, as recommended by the Board, if approved at the ensuing 24th Annual General Meeting, will be paid to the shareholders holding equity shares of the Company as on the record date of 10th August, 2020.

As you may be aware that pursuant to the changes introduced by the Finance Act, 2020, w.e.f. April 1, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates from the dividend paid to shareholders. Accordingly, the Company shall therefore be required to deduct TDS at the time of making payment of the said dividend after obtaining the approval of shareholders in the forthcoming AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

The same is explained herein below:

For Resident Shareholder:

In case of resident shareholders, Section 194 of the Income Tax Act, 1961 (I-T Act) provides mandate for withholding tax @ 10% on dividend income. In absence of Permanent Account Number (PAN), TDS rate of 20% will apply. The Central Board of Direct Taxes issued a Press Release dated May 13, 2020 stating that TDS rates on the amount paid or credited to residents during the period from May 14, 2020 to March 31, 2021 has been reduced by 25%. Thus, in case of resident shareholders, withholding tax @ 7.5% (instead of 10%) on dividend income shall apply under Section 194 of the I-T Act.

However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during FY 2020-21 does not exceed Rs. 5000/-. In cases where the shareholder provides a declaration in Form No. 15G (applicable to any person other than

a Company or a Firm)/ Form No. 15H (applicable to an Individual above the age of 60 years), TDS will not be deducted provided the eligibility conditions are met.

[Click here to download Form 15G](#)

[Click here to download Form 15H](#)

Please note that PAN is mandatory. If PAN is not submitted/PAN is invalid, tax would be deducted @20% as per Section 206AA of the Income Tax Act, 1961. **No claim shall lie against the Company for such taxes deducted.**

For Non-Resident Shareholder:

Taxes will be withheld in accordance with the provisions of Section 195 of the I-T Act at the rates in force. As per the relevant provisions of the I-T Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the I-T Act, 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 will have to provide the following:

- Self-attested copy of the Permanent Account Number (PAN Card) 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 (valid for the relevant financial year).
- Self declaration in Form 10F ([Click here to download Form 10F](#)) if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax Authorities.
- Self-declaration in the attached format, stating the following:
 - i. That the shareholder is and will continue to remain a tax resident of the country of its residence during the financial year 2020-21;
 - ii. That the 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 the claim for the benefits of the DTAA is impaired in any manner;
 - iv. That the shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - v. That the shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2020-21.

Please note that the Company in its sole discretion reserves the right to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts and to call for any further information. Application of DTAA rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company. Where the PAN is either not available or is invalid, DTAA benefit shall not be granted and tax shall be deducted at the prescribed rate or 20% (plus applicable surcharge and cess), whichever is higher. For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of Foreign Portfolio Investors (FPI) /Foreign Institutional Investors (FII) since the provisions of I-T Act do not provide so.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before August 10, 2020. The documents are to be submitted in original to Bigshare Services Private Limited, the Registrar & Share Transfer Agent or the Company at its Registered Office address. Shareholders are requested to note that while submission of original form is mandatory, they may submit the said documents online at www.bigshareonline.com . No communication on the tax determination/deduction shall be entertained post August 10, 2020.

For all Shareholders

Please note that the aforementioned documents are required to be submitted through post to the Registrar and Transfer Agent viz. Bigshare Services Pvt. Ltd. or online at :

[Click here to upload documents](#)

In case of any query, shareholders can write to investor@bigshareonline.com and copy to companysec@chemcrux.com on or before 10th August, 2020 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication on the tax determination / deduction shall be entertained post 10th August, 2020. In case the requisite documents are submitted by the shareholders through his/ her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted.

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. 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 and the total dividend amount will be clubbed on the basis of the PAN of the shareholder and prescribed tax as applicable will be deducted by the company.

It may further be 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 the shareholder to file the return of income in India and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted'**

In order to facilitate receipt of dividend directly in your bank account, we request you to submit / update your bank account details with your Depository Participant. We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend.

We request your cooperation in this regard.

Yours faithfully,
For **Chemcrux Enterprises Limited**

Sd/-
Ekta Kumari Srivastava
Company Secretary

Disclaimer: 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 investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.