



प्रगति के पथप्रदर्शक  
PIONEERS IN PROGRESS

# दि फ़र्टिलाइज़र्स एण्ड केमिकल्स ट्रावन्कोर लिमिटेड THE FERTILISERS AND CHEMICALS TRAVANCORE LTD.

(भारत सरकार का उद्यम) (A Government of India Enterprise)

पंजीकृत कार्यालय: एलूर, उद्योगमंडल, कोच्ची - 683 501, केरल राज्य, भारत  
Regd. Office: Eloor, Udyogamandal, Kochi-683501, Kerala State, India. Website: www.fact.co.in CIN: L24129KL1943GOI000371

05<sup>th</sup> September 2023

Dear Shareholder,

**Sub: Dividend for the FY 2022-23: Communication on Tax Deduction at Source (TDS) on Dividend payout.**

As you are aware, the Board of Directors of the Company at their meeting held on 05<sup>th</sup> May 2023 has recommended a final Dividend of Re.1 per equity share (i.e. 10% of the paid up equity share capital) for the financial year 2022-23. The final dividend will be paid to the members of the Company after approval of dividend at the Annual General Meeting of the Company scheduled on Friday, 29<sup>th</sup> September, 2023.

Payment of dividend, if approved at the Annual General Meeting, will be made to those members whose names will be on the Company's Register of Members on 22<sup>nd</sup> September, 2023 ("record date") and to those whose names will appear as Beneficial Owners as at the close of the business hours on 22<sup>nd</sup> September, 2023 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

The Members holding shares in Demat form are advised to update their records such as tax residential status, permanent account number (PAN)(duly linked with Aadhaar), registered email addresses, mobile numbers, bank details and other details with their Depository Participants (DP). Member holding shares in physical form and who have not updated their bank account details are requested to update bank details with the Company's Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd.

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

This communication summarizes the applicable TDS provisions in accordance with the provisions of the Income Tax Act, 1961, for various categories, including Resident or Non-Resident members.

**For Resident Members:**

1. No TDS shall be done in the case of resident individual members, if the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed ₹ 5,000.
2. Where, the valid Permanent Account Number (PAN) of the resident individual member is available,
  - i. TDS shall be deducted at the rate of 10% on the amount of dividend payable.

- ii. In cases where the resident individual member provides the duly signed Form 15G or Form 15H (as applicable) and provided that the eligibility conditions are being met, no TDS shall be done. The format of Form 15G and Form 15H are enclosed as **Annexure I** and **II** respectively.
3. Where the PAN is either not available or is invalid, TDS shall be done at a rate which is higher of the prescribed TDS rates or 20%.
4. If any shareholder is considered to be specified person as per the provisions of Section 206AB, TDS shall be done at a rate which is higher of the prescribed rates or 20%.
5. In order to help the Company to comply with the relevant provisions of Income Tax Act, 1961, the following resident non-individual members are requested to provide a self-declaration as listed below:
  - i. **Insurance companies:** A declaration that they are the owners or beneficial owners of shares held on record date;
  - ii. **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested);
  - iii. **Business Trust (BT) established in India:** A declaration that its income is exempt under Section 10(23D) of the Act and they are established under SEBI regulations along with copy of registration documents (self-attested).
  - iv. **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with copy of registration documents (self-attested).
  - v. **Other Non-Individual shareholders:** The Shareholders who are exempted under the provisions of Section 194 of the Act and who are covered under Section 196 of the Act are also not subject to withholding of any tax and are required to submit an attested copy of the PAN along with the documentary evidence in relation to the same.

**For Non-Resident Members:**

1. TDS shall be done / withheld at the rate of 20% (plus applicable surcharge and health and education cess) on the amount of dividend payable. In case of Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined under Section 94A (1) of the IT Act, TDS rate of 30% will be applicable.
2. Non-resident members (including Foreign Institutional Investors) have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the member, if such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident member should furnish the following documents:
  - a. Self-attested copy of Permanent Account Number (PAN) if allotted, by

the Indian Income Tax Authorities. If PAN is not allotted, please provide email address, contact number, Tax Identification Number and address in the country of residence;

- b. Self-attested Tax Residency Certificate ("TRC") issued by the competent authority or tax authority of the country of your residency, (if not in English, then duly Translated and attested, in English) evidencing and certifying your tax residency status in the country of residency for the Financial Year 2023-24;
- c. Form 10F – (enclosed as **Annexure III**) (to be read in line with the notification no. 03/2022 dated 16<sup>th</sup> July, 2022 issued by the CBDT followed by notification dated 28<sup>th</sup> March, 2023);
- d. Self-declaration in the prescribed format (enclosed as **Annexure IV**),

Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident member.

**For all Members:**

1. If any shareholder has obtained Lower / Nil withholding certificate from the tax authority then the TDS will be done at the rate specified in the said certificate. The shareholders are requested to submit a valid certificate for the financial year 2023-24 and should cover the dividend income from the Company
2. Members 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.
3. The documents (duly completed and signed) are required to be submitted to the Company by uploading it on <https://www.purvashare.com/submission-of-form-15g-15h-10f/> or by sending an email to [investors@factltd.com](mailto:investors@factltd.com), on or before Friday, 22<sup>nd</sup> September, 2023, 05:00 PM IST in order to enable the Company to determine and do appropriate TDS / withholding tax. In order to have central control on the process, the documents shall not be accepted through any other mode of communication / on any other email ID. No communication on the tax determination / deduction shall be entertained after 22<sup>nd</sup> September, 2023, 5:00 pm IST.

Members are requested to mention the following details in their email:

- a. Name of the Person
- b. Folio / DP-Client ID
- c. PAN
- d. Financial year

**Summary of applicable TDS/withholding tax rate**

The said Dividend will be paid after deducting the tax at source as under:

1. Nil for resident shareholders in case Form 15G/Form15H (as applicable) along with self-attested copy of the valid PAN is submitted.
2. 10% for resident shareholders in case valid PAN is provided/available.
3. 20% for resident shareholders in case valid PAN is not provided/not available.
4. Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied based on the documents submitted by the non-resident shareholders.
5. 20% plus applicable surcharge and cess for non-resident shareholders including FII/FPI in case the aforementioned documents are not submitted.
6. At the rates prescribed in the nil/lower withholding certificate, if such certificate is made available.
7. With regard to section 206AB, the Report generated from the Compliance Check Functionality as facilitated by the Income Tax Department, will be relied upon, as per which TDS at a higher rate, as applicable will be applied in case of specified person.

**Notes:**

1. Please note, only scanned copies of the aforementioned documents will be accepted by the Company. The documents (duly completed and signed) are required to be submitted to the Company by uploading it on <https://www.purvashare.com/submission-of-form-15g-15h-10f/> or through an email on [investors@factltd.com](mailto:investors@factltd.com) not later than 22<sup>nd</sup> September, 2023, 5:00 PM IST in order to enable the Company to determine and deduct TDS/withholding tax at appropriate rate. Communication on tax determination/deduction shall not be entertained post 22<sup>nd</sup> September, 2023.
2. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent by the Member, the Member undertakes to send the original document(s) on the request by the Company.

The documents furnished by the Shareholders (such as Form 15G/15H, TRC, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.

3. Determination of TDS rate is subject to necessary verification by the Company of the Shareholder details as available with the Company / RTA as on the record date. In this respect, the Company reserves the right to independently verify the PAN of the Shareholder from the NSDL / CDSL utility and if the same is found contrary to the PAN quoted/provided, the Company will disregard the PAN and proceed as per the prevalent law.

Further, after receipt of any of the above declarations, if the Company, based on its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.

4. Information received / downloaded from NSDL / CDSL as on the cut-off date will be considered as final and TDS liability will be determined accordingly and no requests will be entertained for revision of TDS return at a later date.
5. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
6. In the event of any Income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
7. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
8. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. This communication shall not be treated as an advice from the Company or its affiliates or its Share Transfer Agent. Members should obtain the tax advice related to their tax matters from a tax professional.

Yours faithfully,

For The Fertilisers and Chemicals Travancore Limited

Sd/-

**Susan Abraham**  
**Company Secretary**

Enclosures : -

1. 15 H - Annexure- I
2. 15 G - Annexure- II
3. 10 F - Annexure- III
4. Self-Declaration - Annexure- IV