SUMITOMO CHEMICAL INDIA LTD.
Corporate Identity Number (CIN) - U24110MH2000PLC124224

Corporate Office: 13/14, Aradhana IDC,
Near Virwani Industrial Estate, Goregaon (East),
Mumbai - 400 063.
Tel. : +91-22-4252 2200 / Fax : +91-22-4252 2380
URL http://www.sumichem-india.co.in

SCIL/SEC/2020-21
13th August, 2020

To,
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The National Stock Exchange of India Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra East,
Mumbai - 400 051

Dear Sirs,

Subject: Communication to Shareholders - Intimation of change in Income Tax Rules w.r.t Tax Deduction on Dividend.

Pursuant to the Finance Act, 2020, with effect from April 01, 2020, Dividend Distribution Tax is abolished, and dividend income is taxable in the hands of the shareholders. The companies are required to withhold tax at source from dividends paid to shareholders at prescribed rates (plus applicable surcharge and cess), as may be notified from time to time.

In this regard, please find enclosed herewith communication which has been sent to the shareholders of the Company elaborating the process to be followed for claimimg exemption from deduction of tax at source from dividend of the Company.

Thanking you,

Yours faithfully,
For Sumitomo Chemical India Limited

Pravin D. Desai
Vice President and Company Secretary

SUMITOMO CHEMICAL INDIA LIMITED

CIN: U24110MH2000PLC124224

Registered Office: Bldg No.1, Ground Floor, Shant Manor Co-op Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai – 400101

Communication to Shareholders - Intimation on Tax Deduction on Dividend

Date: August 12, 2020

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on June 5, 2020 has recommended a Dividend of Rs. 0.55 per equity share i.e. 5.50% for the Financial Year ended March 31, 2020 and the said Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on September 10, 2020.

As you are aware that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company 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 said Dividend, if declared at the above AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of Shareholder	**Tax Deduction Rate**	**Exemption Applicability/ Documents required**
Any resident shareholder	7.5%	Update the PAN if not already done with depositaries (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). • No deduction of taxes in the following cases - If dividend income to a resident Individual shareholder during FY 2020-21 does not exceed INR 5,000/-, • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholder providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. Please refer attached format
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration

		certificate
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income.	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015.
Other resident shareholder without PAN/Invalid PAN	20%	

Please Note that:

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

b) 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.

Table 2: Non-resident Shareholders

Category of Shareholder	**Tax Deduction Rate**	**Exemption Applicability/ Documents required**
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company • Copy of the PAN Card, if any, allotted by the Indian authorities. • Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident • Self-declaration in Form 10F in the attached form. • Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India. (format attached herewith). TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.
Foreign Institutional Investors, Foreign Portfolio Investors (FII,	20% (plus applicable surcharge and cess)	None

FPI)		
Submitting Order under section 195(3) /197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note: The 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

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be submitted to the Registrar at email ID Sumitomodivtax@linkintime.co.in or update the same by visiting the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html **on or before September 03, 2020** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of September 03, 2020.

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

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Final Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

We request your cooperation in this regard.

Yours Sincerely,

Sd/-
Pravin D. Desai
Vice President and Company Secretary

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional
Note: This is a system generated e-mail. Please do not reply to this e-mail.
Notice: The information contained in this e-mail message and/or attachments to it may contain confidential or privileged information. If you are not the intended recipient, any dissemination, use, review, distribution, printing or copying of the information contained in this e-mail message and/or attachments to it are strictly prohibited. If you have received this communication in error, please notify us by reply e-mail or telephone and immediately and permanently delete the message and any attachments. Thanks.