



PBM POLYTEX LTD.

CIN : L17110GJ1919PLC000495

REGD. OFFICE: OPP. STATION, POST: PETLAD – 388450,

DIST: ANAND, GUJARAT,

PHONE: 224001, 224003, STORES: 224005, SALES: 224006,

FAX (02697) 224009, E-Mail: pbmmills@patodiagroup.com

THROUGH BSE.LISTING CENTRE

Date-28.08.2021

To,
The General Manager
M/s. BSE Limited,
Department of Corporate Services,
Floor 25, P. J. Towers, Dalal Street,
Mumbai – 400001

Company Code: BSE Limited, Listing Code – 514087

Sir / Madam,

SUB: Communication to Shareholders-Intimation on Tax deduction on Dividend

Pursuant to the Finance Act, 2020, the Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories explaining the process on withholding tax from dividends paid to the shareholders at prescribed rates.

This is for your information and records.

Thanking you,

For PBM Polytex Limited

CS Swati Sharda
Company Secretary & Compliance Officer



ENCL: As Above

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DIST: ANAND, GUJARAT

PHONE: (02697) 224001, FAX: (02697) 224009,

Website: www.pbmpolytex.com, Email ID: pbmcs@patodiagroup.com

Date: 27.08.2021

Sub: TDS on Dividend of Rs.1.5/- per share on the equity shares of the Company for the Financial Year 2020-2021.

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

PAN of the Shareholder:

Dear Shareholder,

This is to inform you that the Board of Directors of the Company, at its Meeting held on 30th June, 2021, has declared dividend of Rs 1.5/- (15%) per equity share of face value of Rs. 10/- each for the Financial Year 2020-21 subject to the approval of shareholders. The said dividend will be payable to those shareholders whose names appear in the Register of Members of the Company on the Record Date 16th September, 2021. Book closure kept by the company is from 17th September, 2021 to 30th September, 2021 (Both days inclusive).

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

The withholding tax rate would vary depending upon the residential status of the shareholder and documents submitted by the shareholder with the Company/RTA/Depository Participant.

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

For Resident Individual Shareholders:

1. Where, the Permanent Account Number (PAN) is available and is valid:
 - a. Tax shall be deducted at source at the rate of 10 % (from 1st April 2021) on the amount of dividend payable, as amended from time to time.
 - b. No tax shall be deducted in the case of a resident individual shareholder:
 - I. if the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed Rs. 5,000/-.

- II. where the shareholder provides the duly signed Form 15G/Form 15H and provided that the eligibility conditions are being met. The format of Form 15G (for individuals upto the age of 60 years) and Form 15H (for individuals above the age of 60 years) are attached as **Annexure 1** and **Annexure-2** respectively.
2. Where the PAN is either not available or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or 20%.

For Resident Shareholders other than individual:

In order to avail exemption from withholding of tax, the following organisations must provide a self-declaration as listed below along with a self-attested copy of PAN card:

1. **Insurance Companies:** A Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
2. **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).
3. **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. Copy of registration documents (self-attested) should be provided.
4. **New Pension System Trust:** A declaration by Recognized Provident Fund, Approved Superannuation Fund, Approved Gratuity Fund, National Pension Scheme etc. declaring that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
5. **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 - Documentary evidence that the person is covered under Section 196 of the Act.

For Non-Resident Shareholders:

1. Tax shall be deducted/withheld at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.
2. However, Non-resident shareholder have an 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 such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident shareholder should furnish the following documents to the Company's Registrars and Transfer Agents (RTA) i.e. M/s. Link Intime India Private Limited by not later than 16th September, 2021, 6:00 PM Indian Standard Time (IST):
 - a. Self-attested copy of Permanent Account Number (PAN) if allotted to you, by the Indian Income Tax Authorities. If PAN is not allotted to you, please provide your email address, contact 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, evidencing and certifying your tax residency status in the country of residency during the Financial Year 2021-22;
 - c. Completed and duly signed Form 10F in the format attached as **Annexure 3**;

- d. Self-declaration in the format attached as **Annexure 4**, certifying that -
- i. You are and continue to remain a tax resident of the country of your residency during the Financial Year 2021-22;
 - ii. You are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. You have no reason to believe that your claim for the benefits of the DTAA is impaired in any manner;
 - iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; and
 - v. You do not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.
3. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident shareholder.
4. Notwithstanding Paragraph 2 above, tax shall be deducted at source at the rate of 20% (plus applicable surcharge, and health and education cess) on dividend payable to Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI). Such TDS rate shall not be reduced on account of the application of the beneficial DTAA Rate or lower tax deduction order, if any.

For all Shareholders who seek exemption from Tax on dividend:

The aforementioned documents (duly completed and signed) are submitted to our RTA, Link Intime India Private Limited by clicking the URL Link <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before 16th September, 2021, 6:00 PM IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication on the tax determination/ deduction shall be entertained after 16th September, 2021, 6:00 PM IST.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

To view or download Annexure 1 - Form 15G [Click here](#)

To view or download Annexure 2 - Form 15H [Click here](#)

To view or download Annexure 3 - Form 10F [Click here](#)

To view or download Self Declaration HLE [Click here](#)

Disclaimer: This Communication is not to be treated as an advice from the Company or its affiliates or Link Intime India Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

Yours sincerely,
For PBM Polytex Limited
Sd/-

Swati Sharda
Company Secretary &
Compliance Officer

Encl.: As above