



Vinati Organics Limited

(CIN: L24116MH1989PLC052224)

Regd. Office: B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India

Email: shares@vinatiorganics.com, Website: www.vinatiorganics.com

Tel No.: 022-61240444/428, Fax No.: 022-61240438

Communication to Shareholders - Intimation on Tax Deduction on Dividend & Updating of Email ID's, Phone No. and Bank details

September 15, 2020

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on June 13, 2020 has recommended a Final Dividend of Re. 0.50 per equity share of face value of Re 1/- each i.e. 50% for the Financial Year ended March 31, 2020 and the said Final Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on **September 26, 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 Final 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 depositories (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). <ul style="list-style-type: none">• 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.

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:

- 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.
- 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	<p>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</p> <ul style="list-style-type: none"> • 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). <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p>

		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, FPI)	20% (plus applicable surcharge and cess)	None
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

[Click here to view / Download Form 15G/15H/10F and Self -Declaration form](#)

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be submitted to the Company at email ID support@sharexindia.com or update the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **September 24, 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 24, 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>.

Updation of Email ID's, Phone No. and Bank details.

1. The Shareholders holding shares in physical form who have not registered their email addresses with the Company / RTA may get registered their email addresses at https://sharexindia.com/Email_Register.html by providing details such as Select company name from drop box, Folio Number, certificate Number, Shareholder name, PAN, mobile number, email id and also upload the image of share certificate and PAN card in PDF or JPEG format (up to 1MB). The facility for registration of bank details for the Shareholders holding shares in physical form are also available at https://sharexindia.com/Bank_Register.html by providing details such as Bank account no, bank name, IFSC code and also upload self-attested cancelled cheque leaf along with request letter duly signed in PDF or JPEG format (Up to 1MB) at the earliest so that it could receive by the Company before making the payment of dividend.
2. The Shareholder holding shares in Demat form are requested to register their email addresses with their respective Depository Participant.

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,

Name- Milind Wagh

Designation: Company Secretary

F 7125

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

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