

September 24, 2021

1] The Secretary

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata 700 001
Scrip code: 10023915

2] Listing Department

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051
Scrip code: MAITHANALL

**Sub: Communication regarding Tax Deducted at Source (TDS)
on Dividend for the Financial Year 2020-21**

Dear Shareholders,

As you are aware that the Board of Directors had recommended a dividend of Rs. 6/- per equity share of face value of Rs. 10/- each for the financial year 2020-2021, for the declaration at the 36th Annual General Meeting (AGM) of the Company.

We had vide our letter dated September 6, 2021, informed that the Register of Members & Share Transfer Books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive) for the purpose of determining the names of the persons entitled to the dividend for the financial year 2020-2021.

As you may be aware, as per the Income Tax Act, 1961 (Act), dividends paid or distributed by the Company after 1st April 2020, are taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders. The rate of TDS would vary depending on the residential status as well as category of the shareholders, documents submitted by them and accepted by the Company. Accordingly, the Dividend will be paid after deducting TDS as explained here under:

(A) Non-Resident Shareholders:

| Category of shareholders | Exemption/Deduction applicability |
|---|--|
| FPIs and FIIs | TDS is required to be deducted at the rate of 20% (plus applicable surcharge) under Section 196D of the Act. |
| Any entity entitled to exemption from TDS | If valid self-attested documentary evidence (e.g. relevant copy of registration, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS, has been submitted. |



| Category of shareholders | Exemption/Deduction applicability |
|---------------------------------|--|
| Other non-resident shareholders | <p>(A) As per relevant provisions of the Act, the withholding tax shall be at the rate 20% (plus applicable surcharge and cess) on the amount of dividend. To avail beneficial rate of tax treaty following tax documents would be required:</p> <p>(a) Self-Attested Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received (b) Self-Attested PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. (c) Self-Attested Form 10F filled & duly signed (d) Self-declaration for non-existence of permanent establishment/ fixed base in India.</p> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)</p> <p>(B) TDS is required to be deducted at the rate prescribed in a valid lower tax withholding certificate issued under Section 195/197 of the Act, if such certificate is provided.</p> |

(B) Resident Shareholders:

| Category of shareholders | Exemption/Deduction applicability |
|---|---|
| Mutual Funds | No TDS is required to be deducted where a self-declaration is provided stating that it is governed by provisions of Section 10(23D) of the Act, alongwith a self-attested copy of a valid SEBI registration certificate. |
| Insurance Companies | No TDS is required to be deducted where a self-declaration is provided stating that it has full beneficial interest with respect to the shares owned by it along with self-attested copy valid IRDAI registration certificate. |
| Category I and II Alternative Investment Fund | No TDS is required to be deducted where a self-declaration is provided stating that its income is exempt under section 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the SEBI Legislations along with self-attested copy of valid registration certificate. |

| Category of shareholders | Exemption/Deduction applicability |
|---|---|
| Any other entity entitled to exemption from TDS | No TDS is required to be deducted where valid self-attested documentary evidence in support of the entity being entitled to TDS exemption is submitted. |
| Other resident shareholder | <p>(A) TDS is required to be deducted at the rate of 10% under Section 194 of the Act.</p> <p>(B) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholders does not exceed Rs.5000/-.</p> <p>(C) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income)</p> <p>(D) TDS is required to be deducted at the rate of 20% under section 206AA of the Act, if valid PAN of the shareholder is not available.</p> <p>(E) TDS is required to be deducted at such rate as prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.</p> |

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax from amount paid/ credited to specified person, i.e. Resident shareholders who have not filed their return of income for two consecutive previous years and aggregate taxes deducted at source exceeds Rs. 50,000 in each of the two previous years (effective from July 1, 2021), at higher of the following rates:

- (i) At twice the rate specified in the relevant provision of the Act; or
- (ii) At twice the rates or rates in force; or
- (iii) At the rate of 5%

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person. The Company will be relying on the information verified by the utility available on the Income Tax website.

Shareholders are requested to further note that:

1. Scanned copies of documents mentioned above and/or any other communication in connection with TDS are required to be sent via registered e-mail ID of shareholders only to e-mail ID rajesh@maithanalloys.com.

2. In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Book Closure Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
3. Above communication on TDS sets out the provisions of law in a summarised manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
4. 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 shareholder to file the return of income and claim an appropriate refund, if eligible.
5. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any legal proceedings.

NO COMMUNICATION ON THE TAX DETERMINATION / DEDUCTION SHALL BE ENTERTAINED AFTER THURSDAY, SEPTEMBER 30, 2021.

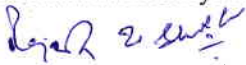
Shareholders are requested to register/update their complete bank details with the Company/RTA, to enable the Company to make timely credit of Dividend in their Bank Accounts.

The above-mentioned is submitted herewith for your information and records.

Thanking you,

Yours truly,

For Maithan Alloys Limited



Rajesh K. Shah
Company Secretary

cc:

The Corporate Relationship Department
BSE Limited
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