

KALYANI STEELS

CIN-L27104MH1973PLC016350

KSL:SEC:

August 5, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001
Scrip Code : 500235

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Symbol : KSL

Dear Sir,

Sub. : E-mail communication to Shareholders

Pursuant to the Finance Act, 2020, Dividend Distribution Tax has been abolished with effect from April 1, 2020 and dividend income is taxable in the hands of the shareholders.

In this regard, e-mail communication sent to shareholders of the Company, whose e-mail addresses were registered with the depositories / Registrar and Transfer Agents of the Company, explaining the process of deduction of tax at source (TDS) on the dividend.

The information is also made available on the Web-site of the Company at www.kalyanisteels.com

We request you to take above submission of record.

Thanking you,

Yours faithfully,
For KALYANI STEELS LIMITED


MRS. D.R. PURANIK
COMPANY SECRETARY
E-mail : puranik@kalyanisteels.com



Encl. : Copy of E-mail Communication



KALYANI
GROUP COMPANY

KALYANI STEELS LIMITED, CORPORATE BUILDING, 2ND FLOOR, MUNDHWA, PUNE 411036, INDIA.
PHONE : +91 20 66215000 FAX : +91 20 26821124



KALYANI STEELS LIMITED

Corporate Identity Number (CIN): L27104MH1973PLC016350

Regd. Off. : Mundhwa, Pune - 411036, Maharashtra, India Tel: +91-20-66215000/26715000

Email: investor@kalyanisteels.com; Website: www.kalyanisteels.com

Date: 04/08/2021

Name:

DP ID and Client ID / Folio Number:

Subject: Communication on Dividend for the Financial Year ended March 31, 2021 and Deduction of Tax at Source ("TDS") on Dividend

Dear Shareholder,

We hope that you and your family are doing well and are safe and healthy.

As communicated to the Stock Exchanges on May 18, 2021, the Board of Directors of your Company at its meeting held on May 18, 2021, have recommended a dividend of Rs.7.50 per equity share of Rs.5/- each (i.e. 150%) for the Financial Year ended March 31, 2021 and have fixed the Book Closure from August 28, 2021 to September 3, 2021 (both days inclusive) for the purpose of determining entitlement of the members to receive dividend, if approved by members at the ensuing Forty-Eighth Annual General Meeting, Scheduled on September 3, 2021.

The dividend, if declared, at the Annual General Meeting will be paid to those Members :

- a. whose names appear as Beneficial Owners as at the end of the business hours on August 27, 2021 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of equity shares held in electronic form; and
- b. whose names appear as Members in the Register of Members of the Company after giving effect to valid share transmissions, deletion of name etc in physical form lodged with the Company / its Registrar and Share Transfer Agent on or before August 27, 2021.

In accordance with the provisions of the Income Tax Act, 1961 (the Act) as amended from time to time, dividend declared and paid by a company on or after April 01, 2020 is taxable in the hands of shareholders and the company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. We shall therefore be required to deduct tax at source at the time of making the payment of the said dividend.

Tax rate applicable to a shareholder depends upon residential status and classification as per the provisions of the Act. All shareholders are thereby requested to update any change in residential status and/or category with depository participants (in case of shares held in electronic form) or with the RTA, i.e. Link Intime India Private Limited (in case of shares held in physical form), as may be applicable, on or before August 27, 2021.

This communication summarizes applicable TDS provisions for Resident Shareholders and Non-Resident Shareholders as per the Act:

For Resident Shareholders :

Tax will be deducted at source under Section 194 of the Act at the rate of 10 percent on the sum of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during the financial year 2021-22 does not exceed Rs.5,000/-.

TDS will not be deducted in cases where a shareholder provides Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years) along with the self-attested copy of PAN , provided that eligibility conditions are being met. Form 15G / Form 15H can be uploaded at below link provided by the RTA (i.e. Link Intime India Private Limited) :

<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

Please note that all fields mentioned in the forms are mandatory and the company may at its sole discretion reject the forms submitted, if it does not fulfil the requirement of law.

TDS will not be deducted, if the shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the Permanent Account Number (PAN) along with documentary evidence in relation to the same.

Needless to mention, PAN will be mandatorily required. If your PAN details are available in your demat account for shares held in demat form or with the RTA for shares held in physical form, then there is no need to send PAN details again to the Company. If PAN is not available or invalid, TDS would be deducted at the rate of 20 percent as per Section 206AA of the Act.

Further, shareholders are requested to ensure Aadhaar number is linked with PAN, as required u/s 139AA(2) read with Rule 114AAA before the timelines prescribed. In case of failure of linking Aadhaar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rates as prescribed u/s 206AA of the Income Tax Act, 1961.

In order to provide exemption from withholding of tax, following organisations must provide a self-declaration as listed below :

- **Insurance companies:** A self declaration that it qualifies as “Insurer” u/s 2(7A) of the Insurance Act, 1938 and has full beneficial interest in the shares along with self-attested copy of PAN and Registration Certificate.
- **Mutual Funds:** A self declaration that it is a mutual fund governed by the provisions of Section 10(23D) of the Act and is covered under Section 196 of the Act, along with self-attested copy of PAN and valid SEBI Registration Certificate or Notification.
- **Alternative Investment Fund (AIF) established in India:** A self declaration that its dividend income is exempt under Section 10(23FBA) of the Act and it has been granted a certificate of registration as Category I or Category II AIF under the SEBI Regulations, along with self-attested copy of PAN and valid SEBI Registration Certificate or Notification.

- **New Pension System Trust:** A self declaration that they are governed by the provisions of Section 10(44) [Sub-section 1E to Section 197A] of the Act along with self-attested copy of registration documents.
- **Corporation established by or under a Central Act :** A self declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income and accordingly, covered under Section 196 of the Act, along with self-attested copy of PAN and valid Notification.
- **Recognized Provident Fund/ Approved Gratuity/ Superannuation Fund:** Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes.

In case of other resident shareholder having Order under Section 197 of the Act, TDS will be deducted at the rate mentioned in the Order, provided the Shareholder submits copy of the Order obtained from the income-tax authorities. For obtaining the certificate from tax authority, TAN to be used for this purpose.

For Non-Resident Shareholders:

Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld at the rate of 20 percent (plus applicable surcharge and cess) on the amount of dividend payable.

Further, in the case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source at the rate of 20 percent (plus applicable surcharge and cess) under Section 196D of the Act.

However, as per Section 90 of the Act, a non-resident shareholder has the 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 they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the Non-Resident Shareholder (including FII and FPI) will have to provide the following:

- Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which the shareholder is resident, evidencing and certifying shareholder's tax residency status during the financial year 2021-22.
- Self-declaration in Form 10F duly filled and signed. Non-resident having PE in India would need to comply with the provisions of section 206AB of the Income Tax Act, 1961.
- SEBI registration certificate in case of Foreign Institutional Investors and Foreign Portfolio Investors.
- In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). It is recommended that shareholders should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.
- Self-declaration in the prescribed format certifying that :
 - (a) The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company;

- (b) The transaction/ arrangement/ investments from which the dividend is derived by the shareholder is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such transaction / arrangement / investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty);
- (c) No Permanent Establishment / Fixed base in India during the FY 2021-22 in accordance with the applicable tax treaty;
- (d) The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company.

The company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the company of the documents submitted by non residents shareholders and meeting requirement of the act read with applicable tax treaty.

In case of Non-resident shareholder having Order under Section 197 of the Act, TDS will be deducted at the rate mentioned in the Order; provided the shareholder submits copy of the order obtained from the income-tax authorities. For obtaining the certificate from tax authority, TAN to be used for this purpose.

Where any entity is entitled for exemption from TDS, TDS will not be deducted provided such shareholder/entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities).

For All shareholders

The Finance Act, 2021 has introduced Section 206AB of the Act w.e.f. 1 July 2021, whereby tax would be required to be deducted at twice the applicable rate in respect of any sum or amount or income paid or payable or credited to a 'specified person'.

Further, the Act defined 'specified person' to mean :

- A person who has not filed returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted and the time for filing tax return under section 139(1) of the Act has expired for both these assessment years; and
- Aggregate of tax deducted at source and tax collected at source in his/her case is Rs. 50,000 or more in each of these two previous years.

However, the aforementioned withholding at higher rate shall not apply to a Non-Resident who does not have a Permanent Establishment / Fixed base in India. Accordingly, a Non-Resident should submit a No Permanent Establishment declaration (as referred above).

Income tax department has facilitated a new functionality "Compliance Check for Section 206AB" to facilitate tax deductors to verify a person is a " Specified Person". Tax deducted in accordance with said guidelines is final and company shall not refund/adjust said amount subsequently.

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, as applicable.
2. For all self-attested documents, shareholders must mention on the document “certified true copy of the original”. For all documents being uploaded by the shareholder, the shareholder undertakes to send the original document(s) on request by the Company.
3. A soft copy of TDS certificate will be sent to your registered email ID in due course after deposit of TDS with the Government.
4. TDS will be deducted at higher rate if a shareholder is a specified person on verification of PAN on Income Tax Portal. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, the concerned Shareholder may still have the option of claiming refund at the time of filing the income tax return (provided a valid PAN is registered with your RTA or DP). No claim shall lie against the Company for such taxes deducted.
5. 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 Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any proceedings.
6. 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 are held under a PAN will be considered on their entire holding in different accounts.
7. Documents furnished by the shareholders [such as Form 15G/15H, TRC, Form 10F, 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 documents in case of any discrepancies or the documents are found to be incomplete. Decision of the Company with respect to the validity of any document will be final.
8. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
9. The Company will withhold taxes as per the stipulated tax laws prevalent at the time of deduction of taxes i.e. as on Cut-off Date.

To enable us to determine the appropriate TDS / withholding tax rate applicable, you should upload necessary documents at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Friday, August 27, 2021.

No communication on tax determination / deduction shall be considered after August 27, 2021.

Registration of bank account details and registering email address(es) or changes therein for members holding shares in physical form:

The members of the Company holding shares in physical form and who have not registered their bank account details, can get the same registered with our RTA, through their web site www.linkintime.co.in > Investor Services > E mail / Bank Registration > select ‘KALYANI STEELS LIMITED’ and follow the registration process as guided therein. The members are requested to provide a signed request letter and details such as Name, Folio Number, Certificate Number, PAN, e-mail ID along with the copy of PAN & the cheque leaf with the first named member’s name imprinted in the face of the cheque leaf containing bank name and branch details, type of account, bank account number, MICR details and IFSC code and Share Certificate / Aadhaar / valid Passport in PDF or JPEG format. It is very important that the member should submit the request along with a duly signed letter.

On submission of the member's details, One Time Password (OTP) will be received by the member on the mobile, which needs to be entered in the link for verification and submit thereafter.

The RTA will verify the documents uploaded and will only take on records for all valid cases.

Registration of bank account details and/or e-mail address(es) or changes therein for members holding shares in dematerialized form:

The members of the Company holding shares in dematerialized form and who have not registered their bank details or e-mail address(es), can get the same registered with their respective DPs by following the procedure prescribed by them.

We seek your co-operation in the matter.

Thanking you,

Yours faithfully,
For KALYANI STEELS LIMITED

Mrs. Deepti R. Puranik
Company Secretary

[Click here](#) to download Form 15G

[Click here](#) to download Form 15H

[Click here](#) to download Form 10F

[Click here](#) to download Self declaration by Non Residents

[Click here](#) to download Self declaration by Other Entities

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Disclaimer: The information set out herein above and in Annexure is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend. The member would be liable for all the adverse consequences (including penal consequences) if there is any misrepresentation of facts or furnishing of any inaccurate particulars/documents to the Company or its representatives/agents.