

Dear Shareholder(s),

Subject: Communication in respect of deduction of tax at source on Dividend payout

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on Thursday, 3rd June, 2021 Recommended a final dividend of ₹ 10 per equity share of ₹ 10 each (F.V.) on 14,922,525 Nos. of Equity Shares, which is subject to the approval of the shareholder at the ensuing Annual General Meeting (AGM) of the Company, and the same shall be paid /dispatched on or after the fifth day from the conclusion of the Company's AGM

The said Dividend will be payable to those shareholders whose names appear in the records of the Depositories as beneficial owners of the shares as at the close of business hours on Wednesday, 28th July, 2021 (**Record date**).

In accordance with the provisions of the Income Tax Act, 1961, ('The Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend distributed or declared or paid by the Company shall be taxable in the hands of shareholders and the Company shall be therefore required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

This communication summarizes the applicable TDS provisions, as per the Income Tax Act, 1961, for Resident and Non-Resident shareholder categories.

a) RESIDENT SHAREHOLDERS

(i) Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1	Valid PAN updated in the Company's Register of Members	7.5%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought).
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in the Certificate	Lower tax deduction certificate obtained from Income Tax Authority

(ii) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents mentioned in column no. 4 of the below table with the Company/ Company's RTA – Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions. Please download Form 15G / 15H from the Income Tax website www.incometaxindia.gov.in
2	Securitisation Trust	NIL	Copy of registration/ document evidencing the shareholder being a securitisation trust (as defined in clause (d) of the Explanation below section 115TCA of the Act).
3	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
4	Shareholder covered u/s 196 of the Act such as Government, RBI, corporations established by Central Act & mutual funds specified under section 10(23D) of the Act	NIL	Documentary evidence for coverage u/s 196 of the Act
5	Category I and II Alternative Investment Fund	NIL	SEBI AIF registration certificate to claim benefit under section 197A (1F) read with section 10(23FBA) of the Act
6	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
7	National Pension System Trust referred to in section 10(44) of the Act	NIL	No TDS as per section 197A (1E) of the Act

Notwithstanding the provisions of the above table, tax would not be deducted on payment of dividend to resident individual shareholder(s), if the total dividend to be paid in any financial year does not exceed INR 5,000.

NON-RESIDENT SHAREHOLDERS

Tax deducted at source on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following documents with the Company/ Company's RTA Link Intime India Private Limited

Sr. No.	Particulars	Rate of Deduction of Tax at Source	Documents Required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax as per treaty following documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India 5. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements. <p>(Note: Application of beneficial Tax Treaty Rate</p>

			shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Overseas Trust	20% (plus applicable surcharge and cess)	The overseas trust can also be given the Tax Treaty rate. However, the same can be litigative and hence, on a conservative basis, withholding on dividends paid to overseas trust should be as per the Act only
5	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in the Certificate	Lower tax deduction certificate obtained from Income Tax Authority

For all Shareholders:

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The url for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> –

On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned below:

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

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the Company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection

6. Document attachment – 1 {PAN}
7. Document attachment-2 {Forms}
8. Document attachment-3 {Any other supporting document}

Please note that uploading of documents (duly completed and signed) on the website of Link Intime India Private Ltd (<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.) should be done on or before 28th July, 2021 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 28th July, 2021, 6:00 PM. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities. Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, the Company shall not be liable to refund any excess TDS deducted. Shareholders shall have an option to file a return of income as per the provisions of the Act and claim refund of any excess TDS. No claim shall lie against the Company for such taxes deducted.

Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Company's RTA.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

The tax withholding rates referred above are based on the law prevailing as on the date of issue.

In the event there is ambiguity in law or interpretation or matters concerning tax withholding, then the highest applicable tax withholding rate shall be considered on a conservative basis.

All communications/ queries in this respect should be addressed to our RTA- Link Intime India Private Limited to its email address: rt.helpdesk@linkintime.co.in {NO TAX EXEMPTION FORMS SHOULD BE SENT AND THIS MAIL ID IS ONLY FOR QUERIES}.

Shareholders are further 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 respective bank account.

Disclaimer: This Communication shall not 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 Nilkamal Limited
Sd/-
Priti Dave
Company Secretary