



April 19, 2023

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Security Code No.: JSL

**Subject: E-mail to shareholders intimating about deduction of tax at source (TDS) on Special Interim Dividend**

Dear Sir(s),

This is in continuation to our earlier intimation dated April 18, 2023 informing the Shareholders about the decision of the Board of Directors of the Company to declare special interim dividend upon successful completion of the merger and consequent listing of the new shares of the merger entity.

In this regard, please find enclosed herewith a specimen of the email communication sent to the Shareholders, whose email addresses are registered with their Depository Participant / Registrar and Share Transfer Agent intimating about the provisions of the Income Tax Act, 1961 as amended by the Finance Act, 2020 relating to the applicable provisions of TDS on the special interim dividend and the procedure to be followed by the Shareholders for submission of relevant forms / documents / declarations.

This is for your information and further dissemination.

Thanking you,

Yours faithfully,  
For **Jindal Stainless Limited**

**Navneet Raghuvanshi**  
Head Legal & Company Secretary



Enclosed as above

**Jindal Stainless Limited**

**CIN:** L26922HR1980PLC010901

**Gurugram Office:** Stainless Centre, Plot No.- 50, Sector - 32, Gurugram - 122001, Haryana, India

**T:** +91 124 449 4100 **E:** info@jindalstainless.com **Website:** www.jindalstainless.com

**Registered Office:** O.P. Jindal Marg, Hisar - 125005, Haryana, India

**Corporate Office:** Jindal Centre, 12 Bhikaji Cama Place, New Delhi - 110066, India

**T:** +91 011-26188345, 41462000, 61462000



## Jindal Stainless Limited

(CIN: L2699HR1980PLC010901)

Regd. Office: O.P. Jindal Marg, Hisar – 125 005 (Haryana) India

Phone No. (01662) 222471-83 Fax No. (01662) 220499

Email Id.: [investorcare@jindalstainless.com](mailto:investorcare@jindalstainless.com); Website: [www.jslstainless.com](http://www.jslstainless.com)

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110 066.

Phone No.: (011) 26188345-60, 41462000, Fax No. (011) 41659169, 26101562

Date: April 18, 2023

### DEDUCTION OF TAX AT SOURCE ON DIVIDEND

Dear Shareholder,

We are pleased to inform you that the Board of Directors of your Company at its meeting held on April 18, 2023, has declared a Special Interim Dividend @ 50% i.e. Re. 1 per equity share (face value of Rs. 2 per equity share) for the financial year 2022-23 upon successful completion of the merger process and consequent listing of new shares of the merged entity. The payment of the dividend / dispatch of the dividend warrant(s)/ Demand draft shall be completed within 17<sup>th</sup> May, 2023.

Pursuant to the changes introduced by the Finance Act, 2020, w.e.f. April 1, 2020, the Company is required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate varies depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Special Interim Dividend, will be paid to the Shareholders after deducting the tax at source as follows:

To enable us to determine appropriate withholding tax rate please note the following:

#### **PART 1: UPDATION OF MANDATORY INFORMATION BY ALL THE SHAREHOLDERS**

All Shareholders are requested to ensure that the following details are updated, as applicable, through their depository participant (if shares are held in Dematerialized Form) or with the Registrar and Transfer agent in the Register of Members (if shares are held in Physical Form), on or before the Record Date i.e. April 28, 2023:

1. Residential status as per the Income Tax Act, 1961 i.e., Resident or Non Resident for FY 2022-23
2. Valid Permanent Account Number (PAN)
3. In case of individual shareholders, Aadhaar number (in addition to PAN)
4. Category of shareholders:
  - Mutual Fund
  - Insurance Company
  - Alternate Investment Fund (AIF) Category I and II
  - AIF Category III: Located in any International Financial Services Centre (IFSC) of which all the units are held by non-residents other than unit held by a sponsor or manager
  - AIF Category III: Others

- Government (Central/State)
  - Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
  - FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
  - Individual
  - Hindu Undivided Family (HUF)
  - Firm
  - Limited Liability Partnership (LLP)
  - Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
  - Trust
  - Domestic company
  - Foreign company
  - Others (specify category)
5. Email ID
  6. Address
  7. Contact number

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned details as available on record date in the Register of Members and tax would be deducted wherever applicable.

## **PART 2: TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDERS**

### **RESIDENT SHAREHOLDERS**

For resident shareholders, generally, the tax will be deducted at source (TDS) under Section 194 of the Income Tax Act, 1961 at the rate of 10% on the amount of dividend declared and paid by the Company during FY 2022-23 provided valid Permanent Account Number (PAN) is provided by the shareholder. Shareholders are requested to ensure Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%. If PAN is not submitted/is inoperative/is invalid, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

#### **Resident individual shareholders**

In the case of resident individuals, TDS would not apply if the aggregate of total dividend distributed or paid to them by the Company during FY 2022-23 does not exceed Rs. 5,000.

Separately, TDS will not be deducted in cases where a shareholder provides a written declaration in prescribed Form 15G (Annexure 2) (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax as per the provisions of the Income Tax Act, 1961) / Form 15H (Annexure 1)(for individual at or above the age of 60 years with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax), subject to eligibility conditions being met.

Blank Form 15G and 15H can also be downloaded from the link given at the end of this communication or from the website of the Company viz. [www.jindalstainless.com](http://www.jindalstainless.com). Needless to mention, PAN will be mandatorily required along-with such declarations. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the

form if it does not fulfil the requirement of law or the form is otherwise incomplete in any manner.

**Resident shareholders (other than individuals):**

In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Income-tax Act, 1961, no tax shall be deducted at source ('nil rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

- **Insurance Companies:** Self declaration by public & other insurance companies that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and that it has a full beneficial interest with respect to the shares owned by it along with PAN. Self-attested copy of valid IRDAI registration certificate also needs to be submitted.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and copy of SEBI registration certificate.
- **Alternative Investment Fund (AIF):** AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and SEBI registration certificate.
- **New Pension System (NPS) Trust:** Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Income-tax Act, 1961 and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- **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:** Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and/ or who are covered u/s 196 of the Income Tax Act, 1961 and/or any other provisions of the Income Tax Act, 1961 (e.g.: entities as provided in CBDT Circular No.18 of 2017), shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of it being entitled to the exemption available.

In addition to the above, above-mentioned entities should also give declaration as per Annexure 4.

*The Company is not obligated to consider nil rates at the time of tax deduction / withholding on dividend amounts. Application of nil rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.*

## **NON-RESIDENT SHAREHOLDERS OR FOREIGN COMPANIES ('non-resident payee')**

For non-resident person or foreign company being the shareholders, ('non-resident payee'), tax is required to be withheld in accordance with the provisions of Section 195 and / or section 196D of the Income Tax Act, 1961 at applicable rates in force. As per the applicable provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable.

Further, as per Section 90 of the Income Tax Act, 1961, a non-resident payee 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 subject to fulfilment of prescribed conditions. In such case, the tax shall be withheld at such lower rate as prescribed in the DTAA, on the amount of dividend payable. For this purpose, i.e. to avail the DTAA benefits, the non-resident payee will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN Card), if any allotted by the Indian Income Tax authorities;
- In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) tax residency certificate from the Government of that country or specified territory (f) Tax Identification Number of the residency country;
- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the period between April 1, 2023 to March 31, 2024. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would be provided;
- Self-declaration in Form 10F (Annexure 3) (Please download from the link given at the end of this communication or from the Company's website viz. [www.jindalstainless.com](http://www.jindalstainless.com))
- Self-declaration by the non-resident payee containing such particulars/ confirmation as would be imperative to be governed by and/ or avail benefits, if any, under the applicable DTAA

Self-declaration from non-resident, primarily covering the following:

- shareholders are and will continue to remain a tax resident of the country of their resident during the financial year 2023-24;
- Non-resident is eligible to claim the benefit of respective tax treaty;
- Non-resident receiving the dividend income is the beneficial owner of shares held in Company and dividend income and
- Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.

(Format attached herewith can be downloaded from the link given at the end of this communication as Annexure 5 or from the website of the Company viz. [www.jindalstainless.com](http://www.jindalstainless.com))

- In case of Foreign Institutional Investors and Foreign Portfolio Investors, in addition to the above details, copy of SEBI registration certificate will also be required.

It is imperative that shareholders independently satisfy their eligibility to claim DTAA benefit including meeting all conditions laid down by DTAA.

*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, of the documents submitted by Non-Resident shareholder.*

Notwithstanding anything contained in other part of this communication, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, 1961, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Income-tax Act, 1961 or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A of the Income Tax Act, 1961.

**TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME (Specified Person u/s.206AB of the Income Tax Act, 1961):**

The Finance Act, 2021, has inter-alia inserted the provisions of Section 206AB of the Income-tax Act, 1961 with effect from July 1, 2021. The provisions of Section 206AB of the Income-tax Act, 1961 require the deduct or to deduct tax at higher of the following rates from amount paid/ credited to specified person':

- 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 'specified person' means a person who has:

*a. Notfurnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired ; and*

*b. the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.*

The non-resident who does not have the permanent establishment in India is excluded from the scope of as pecified person for the purpose of section 206AB. Accordingly, if a non-resident shareholder is found to be a specified person as per reporting under section 206AB and such shareholder does not furnish a no PE declaration, higher rate shall be applied.

Notwithstanding anything contained in other part of this communication, for Shareholders who are identified as "specified persons" under Section 206AB of the Act, higher tax rate as applicable would be deducted. The Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

**LOWER WITHHOLDING CERTIFICATE (RESIDENT AS WELL AS NON-RESIDENT SHAREHOLDERS)**

Notwithstanding anything contained in other part of this communication, in the case where the shareholders provide a certificate under Section 197 or Section 195 of the Income Tax Act, 1961 for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Shareholders holding shares in physical form are requested to update their PAN details with the Company.

**DIVIDEND INCOME ASSESSABLE IN THE HANDS OF PERSON OTHER THAN DEDUCTEE**

If in terms of Rule 37BA of the Income Tax Rules 1962 ('the Rules'), the dividend income on which tax has to be deducted at source is assessable in the hands of a person other than the deductee, then such deductee should also file a declaration with Company in the manner prescribed in the Rules. Declaration for the same is attached as Annexure 6.

**SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:**

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.

Subject to what is stated above, the rate at which taxes are to be deducted at source based on the category of shareholders, are as under:

Shareholder Category	Rate of TDS
<b>Resident Shareholders</b>	
Shareholders providing Form 15G/15H	NIL
If Dividend income <Rs. 5,000	NIL
If Dividend income >Rs. 5,000	- <b>10%</b> in case where PAN is provided / operative/valid/linked with Aadhar/Non –filers of return of income u/s.206AB - <b>20%</b> , in other cases where PAN is not provided / not available/inoperative/not linked with Aadhar/non-filers of return of income u/.206AB
<b>Non – resident shareholders</b>	
Non-resident Shareholders	- <b>*20% or lower rate</b> as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned. - <b>*40%</b> in case where shareholder is non-filer of return of income u/s. 206AB and not furnished No PE declaration

\*All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.

**OTHERS**

To enable us to determine the appropriate TDS / withholding tax rate applicability, the aforementioned documents are required to be uploaded with the Registrar and Transfer Agent viz. Link Intime India Private Limited ("RTA") at

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

not later than April 25, 2023. No communication on the tax determination / deduction shall be entertained thereafter.

For all self-attested documents, shareholders must mention on the document "certified true copy of the original". For all documents being submitted by the shareholder, the shareholder undertakes to send the original document(s) on the request by the company.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents on time, you would still have an option of claiming refund of the higher tax paid at the time of filing your income tax return, if eligible. No claim shall lie against the Company for such taxes deducted.

Copies of the TDS certificate will be emailed to you at your registered email ID in due course, post payment of dividend after filling of TDS return. Shareholders will be able to see the credit of TDS in Form 26AS, wherever PAN is available which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

*We also request you to register your email IDs, mobile numbers and update your bank account details with your Depository Participant for receiving electronic credit of dividends directly into your bank accounts, in case you are holding shares in electronic form or with the RTA in case of holdings in physical form.*

**Note:** TDS certificate will be issued / reflect in 26AS as available at the Income Tax Portal for those shareholders only who are the registered member as on the record date.

*The information set out herein above 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 shareholders are advised to consult their own tax consultants with respect to specific tax implications arising out of receipt of dividend.*

*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 appellate proceedings.*

Yours faithfully,

For **Jindal Stainless Limited,**

**Navneet Raghuvanshi**  
**Head – Legal & Company Secretary**

Click here to download – Annexure 1 15H

Click here to download – Annexure 2 15G

Click here to download – Annexure 3 10F

Click here to download – Annexure 4 Resident Self declaration

Click here to download – Annexure 5 Non Resident Self declaration

Click here to download – Annexure 6 Declaration for custodian/intermediaries