



KNR CONSTRUCTIONS LIMITED
CIN: L74210TG1995PLC130199

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Date: August 30, 2022

Dear Shareholder(s),

Sub: 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 May 30, 2022 have proposed final dividend of Rs. 0.25/- per equity share of face value of Rs. 2/- each for the financial year 2021-22 subject to approval of shareholders in forthcoming Annual General Meeting to be held on September 29, 2022. 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 Thursday, September 22, 2022 (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:

1. Rate of Tax Deductible at Source from dividend:

Sr.No	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Valid PAN updated in the Company's Register of Members	10%	No document is required. In case of resident individual shareholders, if dividend amount does not exceed ₹5,000/-, no tax will be deducted. No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/ LinkIntime/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹5,000/-.

2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	Tax will be deducted, regardless of dividend amount. All the shareholders are requested to update, on or before the Record Date, their PAN with their Depository Participant (if shares are held in electronic form) and Company/Linkintime (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the PAN details.
3.	Availability of lower/ nil rate of tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority is to be submitted on or before the Record Date. Else the tax will be deducted at applicable rate of tax depending on residential status and status category of the shareholder.

No tax on dividend payment to resident shareholders will be deducted, if the shareholders submit any of the documents listed below with the Company/Linkintime/Depository Participant on or before the record date i.e, 22nd September 2022.

Sr.No	Particulars	Withhold ing tax rate	Documents required (if any) / Remarks
1.	Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions. Please quote all the folio numbers under which you hold your shares in Declaration in Form No. 15G/15H
2.	Shareholders to whom section 194 of the Income Tax, 1961 does not apply as per second proviso to section 194 such as LIC, GIC. etc.	Nil	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certification issued by the IRDAI.
3.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, Corporations established by Central Act & Mutual funds.	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961 <u>Corporation established by Central Act:</u> Certificate of registration which indicates that it is Corporation established under central act and its income is exempt from income tax <u>Mutual fund:</u> Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate.

4.	Category I and II Alternate Investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961 Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.
5.	<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).
6.	National Pension Scheme	Nil	No TDS/ withholding tax as per section 197A (1E) of Income Tax Act, 1961 Self-declaration that they are governed by the provisions of section 10(44) [Subsection 1E to Section 197A] of the Act and self-attested copy of PAN card and registration certificate.
7.	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	Nil	Necessary documentary evidence substantiating exemption from deduction of TDS

B. Non-Resident Shareholders

The normal rate of tax to be deducted from payment of dividend to non-resident shareholders is 20% plus applicable Surcharge and Additional Surcharge (Cess).

In case of shareholders listed below, on submission of the requisite documents listed in column (3) of the table below with the Company / Linkintime(RTA), the tax will be deducted at applicable rate mentioned in Column (2) of the below table

Sr.No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax rate as per applicable treaty, whichever is beneficial	<p>FPI / FII registration certificate in case of FIIs / FPIs.</p> <p>To avail beneficial rate of tax treaty following documents would be required to submit:</p> <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 or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India <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>
2.	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority; and Self- declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
3.	Availability of Lower/NIL rate of tax deduction certificate issued by Income Tax Authority	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority
4.	Any non-resident shareholder exempted from Withholding tax deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from Withholding tax deduction

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"

To view / download No PE Declaration Format [click here](#).

To view / download self-declaration Format under section 206AB of the Act [click here](#).

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 Wednesday, 21st September 2022 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 September 21, 2022, 6:00 PM.

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.

All communications/ queries in this respect should be addressed to our RTA - Link Intime India Private Limited to its email address: rnt.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.

For KNR Constructions Limited

Sd/-

Haritha Varanasi

Company Secretary