



KSB LIMITED

(Formerly KSB Pumps Limited)

Registered Office: Office No. 601, Runwal R-Square, L.B.S. Marg,
Mulund (West), Mumbai- 400 080

CIN: L29120MH1960PLC011635; **Tel. No.:** 022 2168 1300;

Email: compsec.india@ksb.com; www.ksbindia.co.in

Dear Shareholder,

This is in relation to withholding of tax on dividend to be declared by the Company in Financial Year 2020.

As you may be aware, as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend, if declared at the ensuing AGM to be held on 28th September, 2020.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The tax to be deducted for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	7.5%	Update the Permanent Account Number (PAN) if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Link Intime India Private Limited (in case of shares held in physical mode). No deduction of taxes in the following cases – <ul style="list-style-type: none">· If dividend income to a resident Individual shareholder does not exceed INR 5,000;· If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Resident Shareholders submitting Form 15G/ Form 15H	NIL	Eligible Resident Shareholder providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions.
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Indian Commercial Banks / Indian Financial Institutions	7.5%	-
Insurance Companies: Public & Other Insurance Companies	NIL	Self-declaration that it has full beneficial interest with respect to shares owned along with the self-attested copy of PAN card, Registration certificate and documentary evidence that the provisions of section 194 of the Act are not applicable.
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.	NIL	Documentary evidence that the Corporation is covered under Section 196 of the Act - 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.
Mutual Funds specified u/s 10(23D)	NIL	Documentary evidence that the Mutual Fund is covered under section 196 of the Act - 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 registration certificate.
	7.5%	In case of mutual funds not covered under section 10(23D) of the Act.
Alternative Investment fund (AIF)	NIL	Documentary evidence that the fund is covered by Notification No. 51/2015 dated 25 June 2015. (a declaration that its income is exempt u/s 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with a copy of registration documents (self attested)).
	7.5%	In case AIF other than those registered with SEBI as per section 115UB of the Act.
Other resident shareholder without PAN/ Invalid PAN	20%	-

Please note that:

- a. Permanent Account Number (PAN) is mandatory to be registered for each Folio/DP Id-Client Id. In absence of a valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act and tax credit certificate cannot be generated.
- b. 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.

Table 2: Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non- resident shareholder (this includes Foreign Companies, Bodies Corporate, NRI, Foreign Nationals and other foreign entities)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company</p> <ul style="list-style-type: none"> · Copy of the PAN Card, if any, allotted by the Indian authorities. · Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident · Self-declaration in Form 10F. · Self-declaration confirming not having a Permanent Establishment in India, has a beneficial ownership of shares and eligibility to Tax Treaty benefit. <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non- resident shareholder and are in accordance with the provisions of the Act.</p>
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None
Submitting Order under section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Please note that:

The 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.

You can download the formats from Link Intime's website at:

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

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

To avail the benefit of non-deduction/lower deduction of TDS kindly submit the required documents by email to ksbdivtax@linkintime.co.in on or before 20th September, 2020;

Or

The required documents as following (duly completed and signed) may be uploaded at: <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)

Kindly email/upload the documents on or before 20th September, 2020 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

No communication/documents on the tax determination / deduction shall be considered post 20th September, 2020. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted.

If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by 20th September, 2020, the Member may claim an appropriate refund in the return of income filed with their respective Tax authorities.

In view of the COVID 19 situation, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account / folio ids for enabling the Company to make timely credit of dividend in the respective bank accounts.

Registration of Bank Details for demat shareholders:

The Members of the Company holding Equity Shares of the Company in demat Form and who have not registered their bank details can get the same registered with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt. Ltd. by clicking the link: https://linkintime.co.in/EmailReg/Email_Register.html and in their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR

details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

The Members of the Company holding Equity Shares and who have not registered their PAN can get the same registered our RTA Link Intime India Private Limited to its email ID ksbdivtax@linkintime.co.in by providing the self attested PAN copy.

We request your kind cooperation in this regard.

Thanking you,

Yours faithfully,

For KSB Limited

Sd/-

Mahesh Bhave

GM-Finance and Company Secretary