



KPI GREEN ENERGY LIMITED

(Formerly known as K.P.I. Global Infrastructure Limited)

CIN: L40102GJ2008PLC083302

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August 16, 2023

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

Sub: Communication in respect of deduction of tax at source on Interim Dividend pay-out.

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on August 11, 2023 have recommended the interim dividend at the rate of 2.5% i.e. Re. 0.25 (Twenty-Five Paise Only) per equity share having face value of Rs. 10/- each for the financial year 2023-24. The said dividend will be paid to those shareholders whose names appear in the Register of Members of the company or in the records of the Depositories as beneficial owners of the shares as on the record date decided by the Board of Directors i.e. August 22, 2023.

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 paid or distributed by the Company 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.

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

I. For Resident Shareholders -

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account / PAN not linked with Aadhaar/not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if -

- i. Total dividend amount to be received by them during the Financial Year 2023-24 does not exceed Rs. 5,000/- or

- ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company will reject incomplete forms. Formats of Form 15G and 15H are enclosed as [Annexure 1](#) and [Annexure 2](#), respectively.

Form 15G/H needs to be furnished only if dividend amount exceeds Rs. 5,000. Considering that the Company has declared dividend of Re. 0.25/- per share, need for submitting Form 15G/H will arise only if your shareholding exceeds 20,000 shares.

- iii. Exemption certificate is issued by the Income-tax Department, if any

Recording of the PAN for the registered Folio/DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.

b. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in [Annexure 3](#).

- i. **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
 - ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
 - iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
 - iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
 - v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- c. *In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Act, for lower/NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.***

II. For Non-resident Shareholders -

a. As per Domestic Tax Law:

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act, as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes,

rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. As per Double Tax Avoidance Agreement (DTAA):

Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:

- i. Self-attested copy of the PAN card 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, (f) Tax Identification Number of the residency country (format attached herewith as [Annexure-4](#)).
- ii. Self-attested copy of Tax Residency Certificate (TRC) (for the period April 1, 2023 to March 31, 2024) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Shareholders who have PAN and propose to claim treaty benefit need to file Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 or manually filled and signed Form 10F (attached herewith as [Annexure-5](#)), to avail the benefit of DTAA.
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April 2023 to March 2024) (format attached herewith as [Annexure-6](#)).
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- vi. 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 shareholder should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

c. Global Depository Receipt ('GDR') Holders:

In case of Global Depository Receipt (GDR) holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the Act, only if they provide self-attested copy of the PAN Card. In case no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before **August 21,**

2023. Any documents submitted after **August 21, 2023** will be accepted at the sole discretion of the Company. The aforementioned documents can be downloaded from the website of the company at <https://www.kpigreenenergy.com/Investor-Information.html>.

III. TDS to be deducted at higher rate in case of non-filers of Return of Income

The Finance Act, 2021, has *inter alia* inserted the provisions of section 206AB of the Act with effect from 1st July 2021. The provisions of section 206AB of the Act require the deductor 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 rate(s) in force; or
- iii. At the rate of 5%.

The non-resident who does not have the permanent establishment and resident who is not required to file a return under section 139 of the Act are excluded from the scope of a specified person.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act. Rate of 20% will be applied for shareholders who are determined as specified person in Income tax department portal.

IV. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:

As per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/help/e-filing-link-aadhaar-faq> for FAQ issued by Government on PAN Aadhaar linking.

PAYMENT OF DIVIDEND

The fourth interim dividend on Equity Shares for FY 2023-24, as approved by the Board of the Director of the Company at their meeting held on August 11, 2023, will be paid after deducting the tax at source as under:

A. FOR RESIDENT SHAREHOLDERS:

- Nil withholding in case the total dividend paid is up to Rs. 5,000/-.
- Nil withholding for resident shareholders in case Form 15G / Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhar.
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Act.
- 10% for resident shareholders in case PAN is provided / available.
- 20% for resident shareholders in case PAN is not provided / not available/ non-filers of Return of Income.

B. FOR NON-RESIDENT SHAREHOLDERS:

- Tax treaty rate (based on tax treaty with India) for beneficial non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 10% plus applicable surcharge and cess for GDR holders if they provide self-attested copy of the PAN card in accordance with provisions of Section 196C of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the above mentioned documents are not submitted.
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS/ CATEGORY:

Shareholders holding Equity 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.

SUBMISSION OF TAX RELATED DOCUMENTS:

Please note that the above mentioned documents duly completed and signed required to be emailed to us at cs@kpgroup.co on or before August 21, 2023, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained and considered if it's received incomplete or unsigned or received post August 21, 2023

Shareholders may note that in case the tax on said interim dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

In terms of Rule 37BA of Income Tax Rules 1962 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules.

FOR SHAREHOLDERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESSES AND BANK DETAILS:

Shareholders who have not registered their email addresses are requested to register the same with our RTA. Further, Shareholders who are holding their shares in physical form and have not registered their bank details with our RTA are requested to register the same at earliest. For updation of bank details shareholders can download the KYC updation form from the RTA website (<https://www.bigshareonline.com/Resources.aspx>). Shareholders who are holding shares in demat form are 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. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

**For KPI Green Energy Limited
(Formerly known as K.P.I. Global Infrastructure Limited)**

Sd/-
Rajvi Upadhyay
Company Secretary & Compliance Officer

Encl.:

[Click here to download Annexure-1 Form 15G](#)

[Click here to download Annexure-2 Form 15H](#)

[Click here to download Annexure-3 Resident Tax Declaration](#)

[Click here to download Annexure-4 Declaration under Rule 37BC\(2\)](#)

[Click here to download Annexure-5 Form 10F](#)

[Click here to download Annexure-6 Beneficial Ownership Declaration](#)