

PSL/CS/SE/TDS-DIV/25-26
14th August, 2025

Corporate Relationship Department
BSE Limited
1st Floor, P. J. Towers
Dalal Street,
Mumbai - 400 001.

COMPANY CODE NO:-4166 (SCRIP CODE : 513511)

Sub. : Communication to Shareholder - Intimation on Tax Deduction on Dividend

Dear Sir,

Pursuant to the Income Tax Act, 1961 ('the IT Act'), as amended by the Finance Act, 2020, dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication sent to all shareholders having their e-mail IDs registered with the Company/Depositories explaining the process regarding the applicability of tax deduction and formalities to be followed by the shareholders to ensure appropriate deduction of tax on the dividend, if declared at the 52nd Annual General Meeting and payable during FY 2025-26.

You are requested to kindly take the above on your records.

Thanking You,

Yours faithfully
For **Panchmahal Steel Limited**

DEEPAK
RAMAKANT
NAGAR

Digitally signed by DEEPAK
RAMAKANT NAGAR
Date: 2025.08.14 16:42:21
+05'30'

Deepak Nagar
GM (Legal) & Company Secretary

E-mail : shares@panchmahalsteel.co.in

Encl : as above



Registered Office: GIDC Industrial Estate, Kalol-389 330, Dist. Panchmahals, Gujarat
CIN: L27104GJ1972PLC002153, Phone No: 02676 230777, Fax No: 02676 230889
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THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Ref: Folio / DP Id & Client Id No: _____

August 14, 2025

Name of the Shareholder: _____

Dear Shareholder,

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on May 23, 2025, has recommended a dividend of Rs.3/- each per Equity Share of face value Re.10/- each, for the Financial Year ended March 31, 2025.

As you are aware, as per the provisions of the Income Tax Act, 1961 (Act), dividend paid or distributed by a company shall be taxable at the hands of shareholders. Therefore, the Company is required to deduct tax at source (TDS) at the rates applicable on the amount distributed to the shareholders, if approved at the ensuing 52nd Annual General Meeting (AGM) of the Company scheduled to be held on Monday, September 22, 2025. The aforesaid dividend, if approved by the shareholders at the AGM, will be paid within thirty days from the date of the declaration at AGM.

If there is any change in the information, you are requested to update your records such as tax residential status, PAN and register your e-mail address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialised form and if you are holding shares in physical mode, you are requested to furnish details to MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company. The records may please be updated before the record date to ensure correct deduction of tax, if applicable.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act 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 / invalid PAN / PAN not linked with Aadhar / not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act or as per the applicable law.

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 (FY) 2025-26 does not exceed Rs.10,000/-; 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 may at its sole discretion reject the form, if it does not fulfil the prescribed requirement under the Act. The template of Form 15G and 15H are attached as **Annexure 1** and **Annexure 2**, respectively; or
- iii. Exemption certificate is issued by the Income-tax Department, if any.

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 ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA) / Life Insurance Corporation of India / General Insurance Corporation of India.
 - 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 to the Company.

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 or Section 196D 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)

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the 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 DTAA benefit, the non- resident shareholders are required to submit the following:

- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) (financial year April 1, 2025 to March 31, 2026) 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 mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> to avail the benefit of DTAA (for the financial year April 1, 2025 to March 31, 2026).
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement for the financial year April 1, 2025 to March 31, 2026. (please refer the format attached herewith as **Annexure 4**).
- 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 evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement.

It is recommended that shareholders should independently satisfy their 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.

Accordingly, to enable us to determine the appropriate withholding tax rate applicable, **we request you to provide these details and documents as mentioned, above, on or before Friday, September 12, 2025 (cut off period)**. Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

PAYMENT OF DIVIDEND

The dividend on Equity Shares for FY 2024-25, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as mentioned in the earlier paragraphs.

The following provisions under the Act will also be considered to determine the applicable TDS rate:

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

As per Section 139AA of the Income Tax 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 to 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. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQs issued by Government on PAN Aadhar linking.

B. Declaration under Rule 37BA

In terms of Rule 37BA of the 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 such deductee should file declaration with Company in the manner prescribed in the Rules.

C. For shareholders having multiple accounts under different status / category:

Shareholders holding Ordinary 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:

Kindly note that The documents such as Form 15G / 15H, documents under section 196, 197A, etc. are required to be emailed to us at email ID tax@panchmahalsteel.co.in on or before **Friday, September 12, 2025** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post Friday, September 12, 2025 shall not be considered.**

It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>

UPDATION OF BANK ACCOUNT DETAILS:

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts.

Shareholders holding shares in physical folios are requested to note that SEBI vide its Master Circular no. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/37 dated May 7, 2024 issued to the Registrar & Transfer Agents, as amended, and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, as amended, has mandated that effective April 1, 2024, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode. Such payment to the eligible shareholders holding physical shares shall be made only after they have furnished their PAN, Choice of Nomination(optional), Contact Details (Postal Address with PIN and Mobile Number) Bank Account Details and Specimen Signature for their corresponding physical folios to the Company or the RTA.

We seek your co-operation in this regard.

Thank you.

For **Panchmahal Steel Limited**

Sd/-

Deepak Nagar

GM (Legal) & Company Secretary

ACS-7960

Encl.:

[Annexure 1](#) – Form No. 15G

[Annexure 2](#) – Form No. 15H

[Annexure 3](#) – Declaration regarding Category and Beneficial Ownership of shares

[Annexure 4](#) – Declaration regarding Tax Residency and Beneficial Ownership of shares

***Disclaimer:** This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent.*

Note: This is a system generated e-mail. Please do not reply to this e-mail.