

Date: 04.09.2020

Dear Shareholder,

Subject: Deduction of tax at source on dividend

The dividend of Rs. 1.56 per equity share as recommended by the Board at its meeting held on June 30, 2020, if approved at the ensuing 46th Annual General Meeting to be held on September 29, 2020, will be paid to shareholders on the basis of details of beneficial ownership furnished by the Depositories, as at the close of **Tuesday, September 22, 2020** and in respect of shares held in Physical form to those Members whose names will appear on the Register of Members of the Company as on the close of **Tuesday, September 29, 2020**.

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 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 payment of dividend.

FOR RESIDENT SHAREHOLDERS:

Tax will be deducted at source ("TDS" under Section 194 of the Act @ 7.5% on the amount of dividend payable unless exempt under any of the provisions of the Act. **However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000.**

Needless to mention, the Permanent Account Number ("PAN") will be mandatorily required. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

A. Tax Deductible at Source for resident shareholders (if no exemption is sought):

S.No.	Particulars	Withholding Tax Rate	Documents Required
1.	Valid PAN updated in the Company's Register of Members/ Depository	7.5%	No documents required
2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required
3.	Availability of lower/nil 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

No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents:

S.No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
1.	Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2.	Shareholders to whom Section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc	Nil	Self-declaration/Documentary evidence that the said provisions are not applicable.
3.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Self-declaration/Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4.	Category I and II Alternative Investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5.	i) Recognized provident funds ii) Approved superannuation fund iii) 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 as per section 197A (1E) of Income Tax Act, 1961

In order to provide exemption from withholding of tax, shareholders are requested to submit the aforesaid documents mentioned in column no. 3 by sending an e-mail at company.secretary@midhani-india.in or shareholders can mail to Company's RTA viz. rt@alankit.com not later than 05.00 P.M Tuesday, September 22, 2020. The shareholders are also advised to post/courier the documents to 'Company Secretary – Mishra Dhatu Nigam Limited - P.O. Kanchanbagh, Hyderabad – 500058.'

FOR NON-RESIDENT SHAREHOLDERS:

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.

The Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no. 3 of the below table with the Company:

S. No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2.	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</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. PAN3. Form 10F filled & duly signed4. Self-declaration for non-existence of permanent establishment/ fixed base in India. <p><i>(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. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts.)</i></p>
3.	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority

S. No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
			Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
5.	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Shareholders are requested to submit the aforesaid documents mentioned in column no. 3 by sending an e-mail at company.secretary@midhani-india.in or shareholders can mail to Company's RTA viz. rta@alankit.com not later than 05.00 P.M Tuesday, September 22, 2020. **The shareholders are also advised to post/courier the documents to 'Company Secretary – Mishra Dhatu Nigam Limited - P.O. Kanchanbagh, Hyderabad – 500058.'**

No communication on the tax determination / deduction shall be entertained after September 22, 2020 5.00 P.M .

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

We seek your co-operation in the matter.

Thanking You,

Yours faithfully
For **Mishra Dhatu Nigam Limited**

Sd/-
Paul Antony
Company Secretary