

September 6, 2021

Dear Shareholder,

**Subject: Deduction of tax at source on dividend**

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The Board of Directors in its Meeting held on June 24, 2021, recommended Final Dividend of Rs. 1.58 per equity share (@15.80%) of Rs. 10/- each for the financial year 2020-21, for the approval of Members at their 47<sup>th</sup> Annual General Meeting to be held on September 29, 2021.

The Record date for aforementioned Interim Dividend is Wednesday, September 22, 2021 for determining the eligibility of shareholders to receive the dividend. The shareholders, holding shares of the Company, in either electronic mode or in physical form, as on the Record Date, i.e. September 22, 2021 shall be eligible to receive the Final Dividend, if declared by Members.

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 1<sup>st</sup> 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 Interim Dividend.

**FOR RESIDENT SHAREHOLDERS:**

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% 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/updated/verified, 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 (1)	Withholding Tax Rate (2)	Documents Required (3)
1.	Valid PAN updated in the Company's Register of Members/ Depository	10%	Update/Verify the PAN, and the residential status as per Act, if not already done, with the depositories (in case equity shares are held in DEMAT mode) and with the Company's Registrar and Transfer Agents (RTA) – Alankit Assignments Ltd., Alankit House 4E/2, Jhandewalan Extension New Delhi- 110055 , e-mail: <a href="mailto:rta@alankit.com">rta@alankit.com</a> (in case equity shares are held in physical mode).
2.	No PAN/Valid PAN not updated in the	20%	No document required

S.No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
	Company's Register of Members		
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	<b>Rate specified in the certificate</b>	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	<b>Nil</b>	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	<b>Nil</b>	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.	<b>Nil</b>	Self-declaration/Documentary evidence for coverage u/s 196 of Income Tax Act, 1961.
4.	Category I and II Alternative Investment Fund	<b>Nil</b>	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961.
5.	i) Recognized provident funds ii) Approved superannuation	<b>Nil</b>	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT).

	fund iii) Approved gratuity fund		
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 duly signed mentioned in column no. 3 by sending an e-mail at [company.secretary@midhani-india.in](mailto:company.secretary@midhani-india.in) and to Company's RTA viz. [rt@alankit.com](mailto:rt@alankit.com) not later than 05.00 P.M Wednesday, September 22, 2021. 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 Interim 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/RTA:

S. No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	<b>20% (plus applicable surcharge and cess).</b>	FPI registration number / certificate.
2.	Other Non-resident shareholders	<b>20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial.</b>	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received.</li> <li>2. PAN</li> <li>3. Form 10F filled &amp; duly signed</li> <li>4. Self-declaration for non-existence of permanent establishment/ fixed</li> </ol>

S. No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
			base in India.  <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>
3.	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority  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	<b>Rate specified in certificate.</b>	Lower tax deduction certificate obtained from Income Tax Authority. The certificate should be valid for the FY 2020-21 and should cover the dividend income.

Shareholders are requested to submit the aforesaid documents mentioned in column no. 3 by sending an e-mail at [company.secretary@midhani-india.in](mailto:company.secretary@midhani-india.in) and to Company's RTA viz. [rta@alankit.com](mailto:rta@alankit.com) not later than 05.00 P.M Wednesday, September 22, 2021. **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 5.00 P.M. September 22, 2021.**

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>.

For further clarification or query on tax related issues, please send your mail to [rta@alankit.com](mailto:rta@alankit.com) and shareholders are kindly requested to intimate your contact no. in the mail so that we can get back to you in case of any issues.

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 & Compliance Officer**