

March 15, 2023

Dear Shareholder,

Subject: Deduction of tax at source on dividend

The Board of Directors in its Meeting held on March 15, 2023, declared an Interim Dividend of Rs. 1.68 per equity share (@ 16.80%) of Rs. 10/- each for the financial year 2022-23.

The Record date for aforementioned Interim Dividend is Thursday, March 23, 2023 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. March 23, 2023 shall be eligible to receive the Interim Dividend.

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 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 2022-23 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: rt@alankit.com (in case equity shares are held in physical mode).
2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required

S.No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
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).

S.No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
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 and to Company's RTA viz. rt@alankit.com not later than 05.00 P.M Wednesday, March 22, 2023. 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)	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.	To avail beneficial rate of tax treaty following tax documents would be required: <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. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India.

S. No.	Particulars (1)	Withholding Tax Rate (2)	Documents Required (3)
			<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	Rate specified in certificate.	Lower tax deduction certificate obtained from Income Tax Authority. The certificate should be valid for the FY 2022-23 and should cover the dividend income.

TDS rate in case of 'Specified Persons':

The Finance Act, 1961 has inserted the provisions of Section 206AB of the Income Tax Act, 1961 with effect from July 1, 2021, pursuant to which the company would be liable to deduct tax at higher of the below rates on the dividend paid to 'specified persons':

1. At twice the rate specified in the relevant provision of the Act; or
2. At twice the rate or rates in force; or
3. At the rate of 5%

For the purposes of section 206AB "specified person" means

- a) A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and
- b) the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'

In cases where Sections 206AA and 206AB are applicable i.e., the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

The Income Tax Department has issued a compliance check utility to check whether a person is covered under the 'specified person' as defined under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said utility to determine the applicability of Section 206AB of the Act.

Kindly note that if any Non-Resident is a 'specified person' under the above-mentioned provisions (i.e., they have not filed tax returns for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted within due dates and their aggregate of TDS or TCS exceeds INR 50,000 per year), **a No PE Declaration should be submitted to the Company by March 22, 2023.** In the event such declaration is not submitted, the Company shall apply withholding tax at a higher rate as per provisions of section 206AB.

Shareholders also please note that linking of PAN and Aadhar is mandatory. Accordingly, shareholders are requested to link their PAN with Aadhar on the Income tax website. In case the PAN is not linked with Aadhar, then the PAN is liable to be treated as invalid and TDS would be deducted at higher rate prescribed in Section 206AA.

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.

Shareholders are requested to submit the aforesaid documents/ declarations as mentioned in column no. 3 by sending an e-mail at company.secretary@midhani-india.in and to Company's RTA viz. rta@alankit.com not later than 05.00 P.M Wednesday, March 22, 2023. **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. March 22, 2023.

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 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