



RHI MAGNESITA

RHI MAGNESITA INDIA LTD

(Formerly Orient Refractories Ltd.)

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Date: 23 August 2023

**Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
STOCK CODE: 534076**

**Department of Corporate Services
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai
STOCK CODE: RHIM**

Dear Sir/Madam,

Sub: Intimation of communication to shareholders for Deduction of tax at source

This is to inform you that the Company has issued communication vide e-mail dated 22 August 2023 to its shareholders whose e-mail ids are available with the Company on procedure of deduction of tax at source (copy enclosed) while payment of dividend (if approved by the shareholders in ensuing Annual General Meeting) by the Company to its shareholders, for the financial year ending 31 March 2023.

Kindly take the above information on your records and oblige.

Yours faithfully,
For **RHI Magnesita India Limited**

**Sanjay Kumar
Company Secretary
(ICSI Membership No. -17021)**



RHI MAGNESITA

RHI MAGNESITA INDIA LIMITED

CIN: L28113MH2010PLC312871

Registered Office: Unit No.705, 7th Floor, Lodha Supremus,
Kanjurmarg Village Road, Kanjurmarg (East), Mumbai-400042,

Web site: www.rhimagnesitaindia.com E-mail: investors.india@rhimagnesita.com

Tel. No.: +91 22 49851200

Date:

Name:

Dear Member,

We wish to inform you that the Board of Directors ("Board") of the Company in its meeting held on 30 May 2023 has recommended a final dividend of Rs. 2.50/- per equity share having nominal value of Re. 1/- each for the financial year ended on 31st March 2023.

As you may be aware that 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 April 2020 is taxable in the hands of the members. The Company is therefore required to deduct tax at source ("**TDS**") at the time of payment of dividend at the rates prescribed under Act read with the Double Taxation Avoidance Agreements (where applicable).

TDS would vary depending on the residential status, category of the member, compliant/ non-compliant status based on filing status of income tax return of the preceding year, as per Section 206AB of the Act and is subject to provision of requisite declarations / documents to the Company. Where section 206AB gets triggered, then taxes would be withheld at a higher rate. Therefore, all members should update/verify the PAN and the residential status as per Act, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).

You are requested to take note of the below stated tax rates and document(s), if any, which are required to be submitted to the Company for your respective category **on or before Thursday, 21 September 2023**, in order to comply with the applicable TDS provisions.

To summarize, dividend will be paid after deducting the tax at source as under:

Resident members:

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%	Update/Verify the PAN and the residential status as per Act, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode). In case of Individual member, TDS would not apply if the aggregate of total dividend distributed to the member by the Company during financial year 2023-24 does not exceed Rs. 5,000
Without PAN/ Invalid PAN	20%	N.A.

Submitting Form 15G/ Form 15H	NIL on the amount of Dividend for which Form 15G/H has been furnished	Duly verified Form 15G or 15H (as may be applicable in duplicate) is to be furnished along with self-attested copy of PAN card. Blank Form 15G and 15H can be downloaded from the below links. Click Here to download - 15G. Click Here to download - 15H. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted if it does not fulfil the requirement of the law.
Submitting Order/ certificate under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the financial year 2023-24 and should cover the dividend income.
An Insurance Company as specified under Sec 194 of the Act	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certification issued by the IRDAI to the effect that no TDS is required as per provisions of section 194 of the Act. Click Here to download - Self-declaration_form
Mutual Fund specified under clause (23D) of Section 10 of the Act	NIL	Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate. Click Here to download - Self-declaration_form
Alternative Investment Fund (AIF) established in India [Section 197A, CBDT Notification 51/2015]	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI. Click Here to download - Self-declaration_form
New Pension System Trust governed by Section 10(44) [subsection 1E to section 197A]	NIL	Self-declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act self-attested copy of PAN card and registration certificate Click Here to download - Self-declaration_form
Corporation established by or under a Central Act governed by section 196	NIL	Certificate of registration which indicates that it is corporation established under central act and its income is exempt from income tax along with a self-declaration - Click Here to download the same .
Other Members who are exempted from tax deduction	NIL	Documentary evidence for members who are exempted from deduction of tax under Section 194 of the Act along with a self-declaration - Click Here to download the same .

Please note that the Company is not obligated to consider the forms and the declarations submitted by Resident members while deducting tax at source. Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident members, by the Company.

Non-resident members:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> • Update / Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agent ("RTA"), as the case may be. • Self-attested copy of SEBI Registration certificate <p>Click Here to download</p>
Other Non-resident members	20% (plus applicable surcharge and cess)	Update/Verify the PAN, legal entity status and the residential status as per the Act, if not already done, with the depositories or with the Company's RTA, as the case may be.
Lower rate prescribed under the tax treaty which applies to the non-resident members/FPI/FII	Tax Treaty Rate	<p>In order to apply the Tax Treaty rate, ALL the following documents would be required:</p> <ul style="list-style-type: none"> • Self-attested copy of PAN allotted by the Indian Tax authorities • Self-attested copy of the Tax Residency Certificate applicable for the period 1 April 2023 to 31 March 2024 obtained from the tax authorities of the country of which the members is a resident. • Form 10F duly filled and signed (covering the period 1 April 2023 to 31 March 2024) (Click Here to download). • Self-declaration (Click Here to download) primarily covering the following: <ul style="list-style-type: none"> - Non-resident is eligible to claim the benefit of respective tax treaty; - Non-resident receiving the dividend income is the beneficial owner of such income; - Non-resident does not have Permanent Establishment/ fixed base/ Business Connection / Place of Effective Management, in India in accordance with the applicable tax treaty or Dividend income is not attributable/ effectively connected to any Permanent Establishment or Fixed Base in India (Non-resident having PE in India would need to comply with provisions of section 206AB). <p>It may be noted that where a non-resident member is reflected as a "specified person" as per the Compliance Check Functionality of the Income Tax Department, the taxes will be withheld at a higher rate in accordance with Section 206AB, as mentioned below unless a self-declaration, as</p>

		<p>mentioned at point no. (iv) above, is provided by such non-resident member. Click Here for Declaration.</p> <ul style="list-style-type: none"> - Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'). - Any other documents prescribed under the Act for lower or nil withholding tax, if applicable. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review of the documents submitted, by Non-Resident member/FPI, by the Company.
Non-Resident member who are tax residents of Notified Jurisdictional Area	30%	N/A
Non-resident members who are Alternative Investment Fund	10% plus applicable surcharge and cess	Self Declaration - Click Here to download
Members who are covered and notified by Central Government under Section 10(23FE) of the Act	NIL	<p>Copy of the notification issued by CBDT substantiating the applicability of Section 10(23FE) of the Act issued by the Government of India along with self-declaration that the conditions specified in section 10(23FE) of the Act have been complied with.</p> <p>Self Declaration- Click Here to download</p>
Non-Resident members obtaining lower / nil tax deduction certificate issued by Income Tax Department under Section 195 or Section 197 of the Act	Rate specified in order	Copy of Lower/nil tax withholding certificate obtained from Income Tax Department

Provisions applicable for all category of members-

1. Members holding shares under multiple accounts under different residential status/ member category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.
2. Determination of tax rate is subject to necessary verification by the Company of the details of the member as available with the Company / RTA as on the record date. In this respect, the Company reserves the right to independently verify the PAN number of the member from the utility provided by the income tax department for Section 206AB compliance verification. and if the same is found contrary to the PAN quoted/ provided, the Company will disregard the PAN and proceed as per the prevalent law.

3. Further, after receipt of any of the above declarations, if the Company on the basis of its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
4. In case, the dividend income is assessable to tax in the hands of a person other than the registered member as on the 14 September 2023, the registered member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person. In this regard, a declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income. In case such details are furnished to the Company after 21 September 2023, the Company shall reject such documents/ communication.
5. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
6. Kindly note that the aforementioned documents should be e-mail to investors.india@rhimagnesita.com only. No communication on the tax determination / deduction shall be entertained after 21 September 2023.
7. 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. No claim shall lie against the Company for such taxes deducted.
8. The Company will send out the email with a soft copy of the TDS certificate at the members' registered Email ID in due course, post payment of the Dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>
9. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. This communication shall not be treated as an advice from the Company or its affiliates or its Registrar and Share Transfer Agent. Members should obtain the tax advice related to their tax matters from a tax professional.

DATA UPDATION FOR SMOOTH PROCESSING-

A. Updation of PAN, email address and other details

Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant Depositories through their Depository Participants. Members holding shares in physical mode are requested to furnish details to the Company's Registrar and Share Transfer Agent i.e. Skyline Financial Services Private Limited (Skyline). The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

B. Update of Bank account details:

We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first member, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Skyline. This will facilitate receipt of dividend directly into your bank accounts. In case the cancelled cheque leaf does not bear the members name, please attach a

copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company or the RTA at the abovementioned emails.

Annexure - Introduction of Section 206AB applicable to all members (resident and non-resident)

Effective from 1st July 2021, Finance Act, 2021 has inserted Section 206AB of the Act as a special provision for TDS in respect of non-filers of income-tax return whereby tax has to be deducted at twice the rate specified in the relevant provision of the Act.

Section 206AB(1) of the Act provides that where TDS is required to be deducted under Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the below rates:-

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Further, sub section (2) of section 206AB provides that where sections 206AA and 206AB are applicable, i.e. the specified person has not submitted the PAN as well as not filed the income tax return (and the TDS/TCS for the previous year exceeds INR 50,000); the tax shall be deducted at the higher rate between both the said sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in his case is Rs. 50,000 or more in the said previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

The Income Tax Department has also released a Compliance Check Functionality to determine whether a payee is a specified person under section 206AB of the Act and the Company would be relying on the report generated from the said facility for compliance with section 206AB of the Act.

We seek your co-operation in the matter.

Yours sincerely,

For **RHI Magnesita India Limited**

Sanjay Kumar

Company Secretary

(Membership No. ACS: 17021)