



BK BIRLA GROUP OF COMPANIES

MCL/SEC

# MANGALAM CEMENT LTD.



MANGALAM CEMENT LTD.

22<sup>nd</sup> July, 2023

The Corporate Relation Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No. C/1, G- Block  
Bandra – Kurla Complex  
Bandra (E), Mumbai 400051

**Security Code: MANGLMCEM**

The Corporate Relations Department  
Department of Corporate Services  
BSE Limited 25<sup>th</sup> Floor  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

**Scrip Code : 502157**

**Sub: Communication to the Shareholders regarding Deduction of tax at source on dividend for the Financial Year ended on March 2023.**

Dear Sir/Madam,

Pursuant to provisions of the Income-tax Act, 1961, as amended by the Finance Act, 2020, Dividend Distribution Tax is abolished, dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication to shareholders regarding deduction of tax at source on dividend for the financial year ended on 31<sup>st</sup> March, 2023 (subject to the approval of shareholders at ensuing AGM of the Company), which is sent to those shareholders whose email IDs are registered with the Company or Depositories.

Please take the same on your record.

Thanking you,

Yours Faithfully

**For Mangalam Cement Limited**

**YASWAN** Digitally signed by  
YASWANT MISHRA  
**T MISHRA** Date: 2023.07.22  
15:35:47 +05'30'

**Yaswant Mishra**

**(Chief Financial Officer)**

**Encl: Above**

- Regd. Office & Works** : P.O. Aditya Nagar-326520, Morak, Distt. Kota (Raj.) CIN : L26943RJ1976PLC001705, Telefax : 07459 - 232156  
Website : www.mangalamcement.com, E-mail : email@mangalamcement.com
- Kota Office** : Shop No. 20, 80 Feet Road, Opp. Sukhdham Colony, (Near SBI Bank) Kota - 324001 (Rajasthan)  
Mob : 9351468064, E-mail : mclhta@kappa.net.in
- Delhi Office** : 153, Leela Building (GF), Okhla Indl. Estate, Phase-III, New Delhi - 110020  
Tel. No. : 011- 43539132, 43539133, 43539137 Fax : 011- 23421768  
E-mail : delhi.purchase@mangalamcement.com, delhi.marketing@mangalamcement.com
- Jaipur Office** : 2<sup>nd</sup> Floor, Geejgarh Tower, Hawa-Sarak, Jaipur - 302 006 (Rajasthan)  
Tel. : 0141 - 2218933, 2218931, E-mail : jaipur.marketing@mangalamcement.com

**MANGALAM CEMENT LIMITED**

CIN: L26943RJ1976PLC001705

Regd. Office: P.O. Adityanagar 326520, Morak, Dist. Kota (Rajasthan)

Ph. No: 91-7459-233127 Fax No.: +91-7459-232036

E-mail: [shares@mangalamcement.com](mailto:shares@mangalamcement.com) Website: [www.mangalamcement.com](http://www.mangalamcement.com)

Ref: Folio / DP Id & Client Id No:

**Dear Shareholder,**

**Sub: Communication to shareholders- Deduction of tax at source on dividend**

We hope this communication finds you safe and in good health.

We are pleased to inform you that the Board of Directors at their Meeting held on 27<sup>th</sup> May, 2023 have recommended a Final Dividend of Rs. 1.50/- (Rupees One and Paisa Fifty Only) per equity share having face value of Rs. 10/- each for the financial year ended 31st March, 2023 and the said final dividend will be payable post approval of shareholders at ensuing Annual General Meeting of the Company.

As you may be aware, pursuant to provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, Dividend Distribution Tax is abolished, 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. The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form.

The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

**A. RESIDENT SHAREHOLDERS:**

In accordance with Section 194 of the Act, tax shall be deducted at source from the dividend amount at rate of 10% where shareholders have registered their valid PAN and at rate of 20% for cases where the shareholders does not have PAN / has not registered their valid PAN details in their account.

No tax shall be deducted/ tax shall be deducted at lower rate on the dividend payable to shareholders in the following cases

**a) Individual Shareholders:**

S. No.	Particulars	Applicable Rate of TDS
1	If the total dividend paid to the shareholder during the FY 2023-24 does not exceed Rs. 5,000.	Nil
2	The shareholder provides duly signed Form 15G (Annexure-1) or 15H (Annexure-2) along with the self-attested copy of the PAN card.	Nil

**b) Non-Individual Shareholders:**

S. No.	Particulars	Applicable Rate of TDS	Documents Required
1	Insurance Companies	Nil	Documentary evidence that the provisions of section 194 of the Act are not applicable alongwith declaration in <b>Annexure 3</b> .
2	A corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.	Nil	Documentary evidence that the person is covered under section 196 of the Act alongwith declaration in <b>Annexure 3</b> .
3	Mutual Fund specified under clause (23D) of section 10	Nil	Documentary evidence that the person is covered under section 196 of the Act alongwith declaration in <b>Annexure 3</b> .
4	Category - I & II Alternative Investment Funds (AIF) registered with the Securities and Exchange Board of India (SEBI).	Nil	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 alongwith declaration in <b>Annexure 3</b> .
5	Shareholders exempted from TDS provisions in terms of any provisions of the Act or CBDT Circular or notification.	Nil	Documentary evidence supporting the exemption status in terms of any provisions of the Act or CBDT Circular or notification alongwith declaration in <b>Annexure 3</b> .

Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / NIL rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration

in **Annexure 3**, tax shall be deducted at source from the dividend amount at the rate specified in the certificate.

A. **NON-RESIDENT SHAREHOLDERS:**

- i. Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act 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 to Non-Resident.
- ii. However, as per Section 90 of the Act, a non-resident shareholder has the option to take the benefit of provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty (DTAA) benefits, the non-resident shareholder shall provide the following:

1. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities. If PAN is not allotted, please provide the following information:

- a. name, e-mail id, contact number;
- b. address in the country or specified territory outside India of which the deductee is a resident;
- c. a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory;
- d. Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

1. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident;

2. Self-declaration in Form 10F in **Annexure 4**;

3. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement in **Annexure 5**;

4. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.

- i. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and

meeting requirements of the Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend.

- ii. In case, certificate issued under section 197/195 of the Act is given by non-resident shareholder for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.
- i. **Finance Act, 2021 introduced new section 206AB (refer Point C below) for deduction of tax at higher rate in certain cases. All non-resident shareholders are requested to submit declarations in Annexure 5 in order to avoid deduction of tax at higher rate.**

**A. TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME:**

The Finance Act, 2021, has *inter alia* inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The 'specified person' means a person who has:

- a. not filed return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and.
- b. subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in such previous year.

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

**Notes:**

1. Accordingly, shareholders holding shares in dematerialized form, are requested to update their records such as tax residential status, permanent account number (PAN), email addresses, mobile numbers, other details with their relevant depositories through their depository participants and shareholders holding shares in physical form are requested to furnish the said details to the Company's registrar and share transfer agent (RTA) M/s MAS Services Limited at the below-

mentioned address, duly quoting your Folio No./ DP Id-Client Id. This will enable us to determine the appropriate TDS rate (if any). Address for correspondence with RTA:

MAS Services Limited

T-34, Okhla Industrial Area, Phase-II, New Delhi-110020

Phone No.:011-26387281-83,Fax:011-26387384

E-mail : [investor@masserv.com](mailto:investor@masserv.com).

1. In order to enable the Company to determine the appropriate TDS / withholding tax rate, **we request you to provide the details and documents relevant to the Dividend payment as mentioned above at [investor@masserv.com](mailto:investor@masserv.com) & [shares@mangalamcement.com](mailto:shares@mangalamcement.com) on or before July 29, 2023 to update our records.**
2. No communication on the tax determination/deduction shall be entertained post July 29, 2023 by the Company for the purpose of Dividend Payment. The company shall arrange to email the soft copy of the TDS certificate at the registered email address in due course. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in/iec/fooservices/#/login>.
3. **For shareholders holding multiple accounts under different status / category**, highest rate of tax based on status in which shares are held will be applied on their entire holding in different accounts.
4. It may be further noted that in case the tax on the Dividend declared if any, is deducted at a higher rate in absence of receipt of the aforementioned details/documents, if the shareholder has provided valid PAN to company later on, shareholder has an option to file the return of income and claim an appropriate refund, if eligible.

**Disclaimer:** This communication shall not be treated as advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

**You may download the forms by clicking on the below mentioned links:**

To View / Download Annexure-1 [Form 15 G](#)

To View / Download Annexure-2 [Form 15 H](#)

To View / Download Annexure-3 [Resident Non Individual Tax Declaration](#)

To View / Download Annexure-4 [Form 10 F](#)

To View / Download Annexure-5 [Non Resident Tax Declaration Form](#)

Thanking you,

Yours faithfully,

For Mangalam Cement Limited

Yaswant Mishra

President (Corporate) & CFO