



SHREE CEMENT LTD.

An ISO 9001, 14001, 50001 & OHS 18001 Certified Company

Regd. Office:

BANGUR NAGAR, POST BOX NO.33, BEAWAR 305901, RAJASTHAN, INDIA

CIN No. : L26943RJ1979PLC001935
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SCL/BWR/SE/2023-24/

16th January, 2024

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

SCRIP CODE: SHREECEM EQ

Debt Segment NCD ISIN: INE070A07061

BSE Limited

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI – 400 023

SCRIP CODE 500387

Debt Segment NCD ISIN: INE070A07061

Sub: Communication to Shareholders - Intimation regarding Tax Deduction on Dividend

Dear Sirs,

Pursuant to the Finance Act, 2020, with effect from 1st April, 2020, dividend income is taxable in the hands of the Shareholders. In view of the same, please find enclosed herewith, an email communication which has been sent to all Shareholders whose email addresses are registered with the Company/Depositories.

Please take the same on record.

Thanking you,

Yours faithfully,

For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)

COMPANY SECRETARY

JAIPUR OFFICE : SB-187, Bapu Nagar, Opp. Rajasthan University, JLN Marg, Jaipur 302015

Phone : 0141 4241200, 4241204, Fax : 0141 4241219

NEW DELHI OFFICE : 122-123, Hans Bhawan, 1, Bahadurshah Zafar Marg, New Delhi 110002

Phone : 011 23370828, 23379218, 23370776, Fax : 011 23370499

CORP. OFFICE : 21, Strand Road, Kolkata 700001 Phone : 033 22309601-4 Fax : 033 22434226

**Shree Cement Limited - Deduction of tax at source on dividend under section 194/195/196D of the
Income Tax Act, 1961**



SHREE CEMENT LIMITED

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E-Mail: shreebwr@shreecement.com; **Website:** www.shreecement.com
CIN: L26943RJ1979PLC001935

THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Date: Monday, January 15, 2024

Dear Member(s),

Sub: - Deduction of tax at source on dividend under section 194/195/196D of the Income Tax Act, 1961 and Important Communication for Security Holders in Physical Form

This has reference to our communication dated Thursday, December 28, 2023 to stock exchanges giving notice of meeting of Board of Director scheduled on Wednesday, January 31, 2024 to *interalia* consider declaration of Interim Dividend for the Financial year 2023-24.

The said dividend, if declared by the Board of Directors, would be paid within stipulated timelines prescribed under Companies Act, 2013, to all those shareholders whose names appear on the Company's Register of Members as on the Record Date i.e. **Thursday, February 08, 2024**.

In accordance with the provisions of the Income Tax Act, 1961 (as amended by and read with the provisions of the Finance Act, 2020), ('**the Act**'), with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

TDS rate depends upon the residential status and category of the shareholder as well as documents submitted to the Company. This communication summarizes the applicable TDS provisions, as on date, in accordance with the provisions of the Act, for various shareholder categories, including a Resident or Non-Resident shareholder and the documents required to be submitted, as under:

#	Category of Shareholder	TDS Rate (%)	Note ref. for Documents
A.	RESIDENT SHAREHOLDERS:		
1	Any individual shareholder Note: No deduction of tax in the following cases:	10	-
	1. If dividend income from the Company to a resident individual shareholder during FY 2023-24 does not exceed ₹5,000/- and it is paid by any mode other than cash	NIL	-
	2. If shareholder is exempted from TDS provisions on the basis of any circular(s) or notification(s)	NIL	1
	3. Individual shareholder submitting Form 15G/ Form 15H for each dividend declared separately	NIL	2,3
2	Insurance Companies-	NIL	4

#	Category of Shareholder	TDS Rate (%)	Note ref. for Documents
	means Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited, United India Insurance Company Limited and any other insurer as per Section 2(28BB) of the Act		
3	Mutual Funds specified under clause (23D) of Section 10 of the Act	NIL	5
4	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	6
5	Alternative Investment Fund	NIL	7
6	New Pension System (NPS) Trust	NIL	-
7	Business Trust as defined in Clause 13A of Section 12 of the Act	NIL	-
8	Any shareholder who has obtained Order u/s. 197 of the Act	Rate mentioned in the order	-
9	Other resident shareholder without PAN/ Invalid PAN/ Specified Person under Section 206AB/ In-operative PAN (i.e., PAN-Aadhaar not linked)	20	-
B	NON-RESIDENT SHAREHOLDERS:		
1	Any non-resident shareholder	Lower of- 20% (plus applicable surcharge and cess) or Tax Treaty rate.	-
2	Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	Lower of- 20% (plus applicable surcharge and cess) or Tax Treaty rate.	-
3	Shareholder submitting Order under section 197 of the Act	Rate mentioned in the order	-

DOCUMENTS TO BE SUBMITTED:

RESIDENT SHAREHOLDERS:

No tax will be deducted, or tax will be deducted at lower rate (as applicable) in respect of dividend paid to a resident shareholder if following documents are submitted (as applicable based on the category of a shareholder):

1. Reference is drawn to CBDT Circular No. 18/2017 dated 29.05.2017 as regards requirement of tax deduction at source in case of entities whose income is exempt u/s. 10 of the Act. The said circular can be downloaded from the link given at the end of this communication. **(Circular attached- 1)** In case shareholder falls within the ambit of Circular No. 18/2017, documentary evidence in relation to the same should be submitted. In absence of such evidence, TDS will be deducted as stated above.
2. No tax if individual shareholder provides Form 15G (non-senior citizen) / Form 15H (senior citizen- an Individual having age of 60 years or more during FY 2023-24). Form 15G/ 15H can be downloaded from the link given at the end of this communication. Please note the shareholder needs to furnish duly filled and signed form 15G/H for each dividend declared during the FY 2023-24 separately. [**Format attached herewith- 2 and 3**]
3. In case of any other insurer other than insurance companies mentioned here-in-above, self-attested copy of registration to be provided to the Company. If shares are not owned but has full beneficial

interest, then, a declaration to that effect is required to be furnished to the Company. [**Format attached herewith- 4**]

4. No TDS u/s. 196 of the Act if declaration is provided that it is a Mutual Fund specified u/s. 10(23D) of the Act along with self-attested copy of registration certificate or notification, as the case may be. [**Format attached herewith- 5**]
5. No TDS u/s. 196 of the Act if declaration is provided that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income along with self-attested copy of registration certificate and relevant extract of the section of the statute whereby the income is exempt from tax. [**Format attached herewith- 6**]
6. No TDS if declaration is provided that AIF income is exempt u/s. 10(23FBA) of the Act by enclosing self-attested copy of the certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012 or under the International Financial Services Centre Authority Act, 2019 [**Format attached herewith- 7**]
7. No TDS if declaration is provided that NPS Trust income is exempt u/s. 10(44) of the Act. Further, self-attested copy of registration document for establishment of said trust under the Indian Trust Act, 1882 is required to be submitted.
8. If the Shareholder has obtained order u/s. 197 of the Act from the Income Tax department and furnishes the same to the Company, then tax will be deducted u/s. 194 of the Act based on the rate mentioned in the order.
9. Registration of PAN card will be mandatorily required in all cases. Please note that in cases where PAN is not registered with the Company/Share Transfer Agent/DP, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act. In view of this, Members who have not updated their Permanent Account Numbers (PANs) with their Depository Participants (DP) or Company/ RTA, as the case may be, must do so immediately. A Member holding shares in physical form who has not submitted his valid PAN to the Company / RTA, is requested to do so immediately by submitting form ISR-1 duly completed in all respect along with required documents prescribed in the said form to *Link Intime India Pvt.Ltd. Unit: Shree Cement Limited C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400083*. Unless the PAN is not registered in records of DP or RTA/ Company, as the case may be, the Company will proceed to deduct tax at higher rate in accordance with applicable provisions of the Act.

NON-RESIDENT SHAREHOLDERS:

Non-resident Shareholders are required to submit following documents:

10. Non-resident shareholders can avail beneficial withholding tax rate available under the Double Taxation Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions, if any, between India and the country of which the non-resident is a resident in terms of such DTAA read with MLI. In order to claim benefit under DTAA, non-resident shareholders are required to submit the following documents:
 - a. Tax Residency Certificate (TRC) issued by the Government of the country of which the non-resident Shareholder is a resident (TRC should be valid for the financial year 2023-24).
 - b. Form 10F filed electronically on the Indian Income Tax web portal as required under the Income-Tax Act, 1961.
 - c. Certified copy of Permanent Account Number (PAN) issued by Indian Authority, if allotted.
 - d. Declaration from shareholders stating the following: [**Format attached herewith- 8**]
 - That the Shareholder did not at any time during the relevant year had a Permanent Establishment (PE) in India;
 - That the Shareholder is the beneficial owner of the dividend;
 - That the conduct and affairs of the Shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty;

- That the arrangement of the Shareholder is not covered under impermissible avoidance arrangement;
 - That the Shareholder is and will continue to remain a tax resident of the country as mentioned in the declaration; and
 - Declaration confirming the status of Shareholder i.e., type of legal entity viz; corporate, company, corporation, firm, Limited Liability Partnership (LLP), Limited Liability Company (LLC), individual or any other type as per law they are governed.
- e. In the absence of submission of all the aforesaid documents (including PAN and declaration containing aforesaid points), tax shall be deducted at 20% (plus applicable surcharge and cess).
- f. Please note that the Company in its sole discretion reserves its right to call for any further information or documents as may be required based on subsequent amendments in the Act or the circumstances so require. Also note that the Company is not obligated to apply the Tax Treaty rate at the time of tax deduction / withholding on dividend amounts, if the completeness of all documents submitted by the non-resident Shareholder is not to the satisfaction of the Company as well as not in accordance with the provisions of the Act.
11. FPI/FII are required to submit self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI. Further, in order to claim the benefit of the Tax Treaty, all documents as mentioned in Para 10 here-in-above are also required to be submitted.
12. If the Shareholder has obtained order u/s. 197 of the Act from the Income Tax department and furnishes the same to the Company, then tax will be deducted u/s. 195 of the Act based on the rate mentioned in the order.

IMPORTANT GENERAL INSTRUCTIONS

Kindly note that the documents as mentioned herein-above, complete in all respect, with respect to determination of TDS on Interim dividend for year 2023-24, if declared by Board of Directors, are required to be uploaded with Link Intime India Pvt. Ltd., Registrar and Transfer Agent **only** at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or emailed **only** to shreecementdivtax@linkintime.co.in. The Company shall not consider documents sent to any other email id or communication address for the purpose of determination of TDS. In case abovementioned documents have already been emailed to any other email id or provided before the date of this communication, it is requested to re-forward the same to prescribed email id only for consideration. Please mention your folio / demat account number, contact detail etc. in all your communication. No communication on the tax determination / deduction shall be entertained after **Thursday, February 01, 2024, 5.00 p.m. Indian Standard Time (IST)** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

It may be further noted that in case the tax or higher tax is deducted at the prescribed rate under the Act due to non/late receipt of the documents or due to inaccurate/ insufficient details, the Shareholders have an option to claim refund of such TDS in their return of income. **The Company shall not be responsible for refund of such excess tax deducted.** Credit for said TDS can be verified from Form 26AS. Also for shareholders whose TDS has not been deducted, their dividend amount will reflect in their AIS (Annual Information Statement).

Members are requested to take note of the following:

1. If the dividend is chargeable to tax in hands of any other person other than the registered Shareholder, then, a declaration to that effect is required to be submitted to the Company in terms of Section 199 of the Act read with Rule 37BA of the Income Tax Rules. **[Format attached herewith- 9]** On such submission, the Company will attribute the tax deducted in the name of such person, which would be due compliance of law on the part of the Company. In applicable cases, the said declaration may be submitted on or before **Friday, 10th May, 2024**. The Company will not be considering any such documents received after **Friday, 10th May, 2024** in this regard.
2. Clearing member should ensure that as on record date, no shares are lying in their account and shares are transferred to respective shareholder's account so that dividend is credited directly to shareholder's account and not to the clearing member's account.

3. Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
 4. Determination of withholding tax/ TDS rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form as on the record date, and other documents available with the Company / RTA. In this respect, the Company reserves the right to independently verify the PAN number of the Shareholder from the National Securities Depository Ltd. ('NSDL') utility and if the same is found contrary to the PAN quoted/ provided, the Company will disregard the PAN and proceed as per the provisions of the prevalent law.
 5. **In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder, the Shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.**
 6. The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration, etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. **It shall be the sole responsibility of the Shareholder and the Shareholder should ensure and submit all the required documents, information, details within the specified timelines and in the manner required to avail benefit of concessional/ non-deduction of TDS from dividend payment. The Company reserves the right to reject the documents in case of any discrepancy or the documents are found to be incomplete or not in order. In case of any discrepancy in documents submitted by the Shareholder, the Company will deduct tax at higher rate as applicable, without any further communication or responsibility in this regard. No claim shall lie against Company for any taxes deducted by the Company.**
 7. In case of multiple submissions of aforesaid documents, the Company will consider the latest documents received prior to the cut-off date i.e. **Thursday, February 1, 2024, 5.00 p.m. Indian Standard Time (IST)** for determination of TDS. The Shareholder may have to submit signed original hardcopies of the documents and declarations submitted online, if required by the Company.
 8. **TDS AT A HIGHER RATE ON NON-FILERS OF INCOME TAX RETURN**
 - 8.1 The Finance Act, 2021 has inter-alia inserted Section 206AB of the Act with effect from 01.07.2021 which requires the Company to deduct tax at higher of the following rates in case of a "specified person":
 - (a) At twice the rate specified in the relevant provisions of the Act; or
 - (b) At twice the rates or rates in force; or
 - (c) At the rate of 5%; or
 - (d) At the rate 20%, if Section 206AA is applicable.
 - 8.2 The "specified person" means a person who has:
 - (a) not furnished return of income for the assessment year relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, for which the time limit of furnishing the return of income under sub-section (1) of section 139 has expired; and
 - (b) and 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
- Note: The non-resident who does not have the permanent establishment in India is excluded from the scope of a specified person.

For the purpose of determining the application of provisions of Section 206AB, the Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly.

1. [Click Here](#) to download Circular No. 18/2017 dated 29.05.2017

2. [Click Here](#) to download - 15G
3. [Click Here](#) to download - 15H
4. [Click Here](#) to download - Declaration from insurance companies
5. [Click Here](#) to download - Declaration from Mutual Funds
6. [Click Here](#) to download - Declaration from Corporation established by or under a Central Act.
7. [Click Here](#) to download - Declaration from Alternative Investment Fund
8. [Click Here](#) to download - Declaration from Non-resident
9. [Click Here](#) to download beneficial ownership declaration (Rule 37BA(2))

No communication on the tax determination / deduction shall be entertained after **Thursday, February 1, 2024, 5.00 p.m. Indian Standard Time (IST)** (except in case of format-9 above).

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

You are also requested to update the email id with the RTA for the shares held in physical form and to your respected Depository Participant for the shares held in Demat form.

Fillable forms for KYC update are available at Company Website on <https://www.shreecement.com/investors/shareholder-information> under heading "Forms" and on RTA website at <https://web.linkintime.co.in/KYC-downloads.html>

We request your cooperation in this regard.

Thanking you,

Yours faithfully,
For **Shree Cement Limited**

S. S. Khandelwal
Company Secretary
Encl: as above

Note: This is a system generated Email. Please do not reply to this Email.