



CIN No. : L26943RJ1979PLC001935
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SHREE CEMENT LTD.

An ISO 9001, 14001, 45001 & 50001 Certified Company

Regd. Office:

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

SCL/BWR/SE/2021-22/
25th January, 2022

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

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI – 400 023

SCRIP CODE: SHREECEM EQ

SCRIP CODE 500387

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

Dear Sirs,

This has reference to our earlier communication dated 20th January, 2022 with respect to above subject matter. We would like to inform that meeting of the Board of Directors of the Company has been rescheduled to 4th February, 2022.

In view of the above the Record Date for the purpose of payment of Interim Dividend, if declared by the Board in the above meeting has also been rescheduled from Wednesday, 9th February, 2022 to **Saturday, 12th February, 2022**. Subsequent to above changes Company has given a revised communication to its shareholders w.r.t. Intimation regarding Tax Deduction on Dividend.

We are enclosing herewith the revised email communication which has been sent to all Shareholders whose email addresses are registered with the Company/Depositories. The communication shall also be placed on the Company's website at <https://www.shreecement.com/investors/shareholder-information>.

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

NEW DELHI OFFICE : 122-123, Hans Bhawan, 1, Bahadurshah Zafar Marg, New Delhi 110002
Phone : 011 23370828, 23379218, 23370776

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

Registered Office: Bangur Nagar, Beawar-305 901, District- Ajmer, Rajasthan

Phone: EPABX +91-1462-228101-6; **Fax:** +91-1462-228117/119

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

CIN: L26943RJ1979PLC001935

Date: 24/01/2022

Dear Member(s),

Sub: - Deduction of tax at source on dividend under section 194/195/196D of the Income Tax Act, 1961

This has reference to our earlier communication dated Monday, 17th January, 2022 to stock exchanges giving notice of meeting of Board of Director scheduled on Tuesday, 1st February, 2022 to *interalia* consider declaration of Interim Dividend for the Financial year 2021-22. Please note that vide our subsequent communication dated Saturday, 22nd January, 2022 to stock exchanges, meeting of Board of Directors has been re-scheduled on Friday, 04th February, 2022 to *interalia* consider declaration of Interim Dividend for the Financial year 2021-22.

The said dividend, if declared, would be paid within stipulated timelines prescribed under Companies Act, 2013, to all those Members whose names appear on the Company's Register of Members as on the revised Record Date i.e. **Saturday, 12th February, 2022.**

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:

S.No.	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 2021-22 does not exceed Rs. 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	NIL	2

S.No.	Category of Shareholder	TDS Rate (%)	Note ref. for Documents
2	Insurance Companies- 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.	NIL	3
3	Mutual Funds specified under clause (23D) of Section 10 of the Act.	NIL	4
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	5
5	Alternative Investment Fund	NIL	6
6	New Pension System (NPS) Trust	NIL	7
7	Any Shareholder who has obtained Order u/s. 197 of the Act.	Rate mentioned in the order	8
8	Other resident Shareholder without PAN/ Invalid PAN	20	9
B	NON-RESIDENT SHAREHOLDERS:		
1	Any non-resident Shareholder	Lower of- 20% (plus applicable surcharge and cess) or Tax Treaty rate.	10
2	Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	Lower of- 20% (plus applicable surcharge and cess) or Tax Treaty rate.	11
3	Shareholder submitting Order under section 197 of the Act.	Rate mentioned in the order	12

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. 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 2021-22). Form 15G/ 15H can be downloaded from the link given at the end of this communication. **[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 as it has been granted a 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 by enclosing self-attested copy of the registration certificate [**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. Copy of PAN card will be mandatorily required. Please note that in the following cases, in the absence of PAN or failure to furnish valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act if PAN is not registered with the Company/Share Transfer Agent/DP. In view of this Members who have not updated their Permanent Account Numbers (PANs) with their Depository Participants (DP) 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 a covering Letter along with self-attested copy of the PAN Card and Aadhar Card to *Link Intime India Pvt.Ltd. Unit: Shree Cement Limited C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400083*. Please click on the link provided under the **GENERAL** clause for submission of PAN.

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 (valid for the relevant financial year).
 - b. Form 10F containing therein information to be provided u/s. 90(5)/ 90A(5) of the Act, if not so covered in TRC (Valid for the relevant financial year). Form can be downloaded from the link given at the end of this communication. [**Format attached herewith- 8**]
 - c. Certified copy of Permanent Account Number (PAN) issued by Indian Authority, if allotted.

- d. Declaration from shareholders stating the following: **[Format attached herewith- 9]**
- 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.
 - 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.

GENERAL

Kindly note that the documents as mentioned herein-above, complete in all respect, with respect to determination of TDS on interim dividend for year 2021-22, 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 may not consider documents sent to any other email id or communication address for the purpose of determination of TDS. 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 **Friday, February 11, 2022, 5.00 p.m. Indian Standard Time (IST)** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

In order to receive direct credit of the dividend amount in the bank account: (i) Members holding shares in the demat form are requested to update their bank account details with their respective DPs; (ii) Members holding shares in physical form are requested to submit a covering letter, duly signed by the first Member, along with a cancelled cheque leaf with printed name and bank account details and duly self-attested copy of PAN card and Aadhar card to *Link Intime India Pvt.Ltd. Unit: Shree Cement Limited C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400083*. In case the cancelled cheque leaf does not bear Member's printed name, the concerned Member is requested to attach a self-attested copy of the bank passbook statement.

It may be further noted that in case the tax is deducted at the prescribed rate under the Act in absence of receipt of the documents or details as mentioned in this communication, 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- 10**] 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, 18th February, 2022**.
2. 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.
3. In case of multiple submissions of aforesaid documents, the Company will consider the latest documents received prior to the cut-off date i.e. **Friday, February 11, 2022, 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.
4. **TDS AT A HIGHER RATE ON NON-FILERS OF INCOME TAX RETURN**
 - 4.1 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.
 - 4.2 The "specified person" means a person who has:
 - (a) not filed return of income for both the two assessment years relevant to the two previous years 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 each of such two immediate previous years.

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

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 - 10F
9. [Click Here](#) to download - Declaration from Non-resident
10. [Click Here](#) to download beneficial ownership declaration (Rule 37BA(2))
11. [Click here](#) to download Frequently Asked Questions-Tax On Dividend

No communication on the tax determination / deduction shall be entertained after **Friday, February 11, 2022, 5.00 p.m. Indian Standard Time (IST)** (except in case of format-10 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. Please further note that the documents being asked hereinabove (including PAN) and submitted by shareholders shall be used solely for the purpose of deduction of tax at source from payment of Interim dividend for financial year 2021-22 and shall no way be permanently registered or updated (in case of physical folio) in our records. The Shareholders holding shares in physical form and intending to update their details are required to approach our Registrar and Share Transfer Agent for the same.

We request your cooperation in this regard.

Thanking you,

Yours faithfully,
For **Shree Cement Limited**

S. S. Khandelwal
Company Secretary
Encl: as above