KAMAL CEMENT

Shree Digvijay Cement Company Limited

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Dear Shareholder, 6th June, 2023

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on Thursday, 27th April, 2023, declared final Dividend of Rs. 2.50 (i.e @25%) per Equity Share of Rs. 10/- each for the Financial Year 2022-23. The said final Dividend will be payable to those Shareholders whose names appear in the Register of Members of the Company and as beneficial owners in the Depositories as on the record date i.e. Wednesday ,21st June, 2023.

As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend.

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the Income tax Act, 1961 at 10% on the amount of dividend, if you have provided Permanent Account Number (PAN). If no PAN is provided, then the tax shall be deducted at source at 20%. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during the Financial Year does not exceed Rs 5,000.

In cases, where **Resident Shareholder** provides –

- Form 15G -applicable to any person other than a Company or a Firm;
- Form 15H -applicable to an Individual above the age of 60 years and provided that all the required eligibility conditions are met, no tax will be deducted at source.

(Formats are attached herewith)

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income tax Act, 1961 at 20% on the amount of dividend payable.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. Accordingly, as per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% on the amount of dividend payable to them. However, as per Section 90(2) of the Income tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail a lower rate of deduction of tax at source under an applicable tax treaty, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;

2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.

3. Self-declaration in Form 10F (attached herewith) if all the details required in this form are not mentioned in the TRC;

4. Self-declaration (attached herewith) by the non-resident shareholder as to:

    - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
    - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
    - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

Apart from above, if a shareholder is a “specified person” for FY 2023-24, being a person who has not filed the returns of income for both of 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 the aggregate of tax deducted at source and tax collected at source in his/her case is Rupees fifty thousand or more in each of these two previous years as specified u/s 206AB of Income Tax Act, applicable from 1st July 2021, tax will be deducted at twice the rate specified under Income Tax Act. Provided that the specified person shall not include a non-resident who does not have a permanent establishment in India.

To view / download click on below mentioned link:-

Annexure 1 Circular No. 18-2017 dated 29.05.2017

Annexure 2 FORM 15G

Annexure 3 FORM 15H

[Annexure 4 Declaration by insurance companies]

[Annexure 5 Declaration by mutual fund]

[Annexure 6 Declaration by corporation]

[Annexure 7 Declaration by AIF]

[Annexure 8 FORM 10F]

[Annexure 9 Declaration from Non-resident]

[Annexure 10 Declaration under Rule 37BA]

[Annexure 11 DECLARATION FOR FII]

Please upload above mentioned applicable documents (duly completed and signed) on the website of Link Intime India Private Limited (https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html) to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to provide the above-mentioned details and documents as applicable to you on or before 24th June, 2023 , 5.00 p.m. (IST). Final Dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found to be satisfactory.

The withholding tax rate would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred final Dividend will be paid after deducting the tax at source as follows:

Shareholder Category	Rate of TDS
Resident Shareholders	
Shareholders providing Form 15G/15H	**NIL**
If Dividend income < Rs. 5,000	**NIL**
If Dividend income > Rs. 5,000	- **10%** in case where PAN is provided / available - **20%,** in other cases where PAN is not provided / not available
Non – resident shareholders	
FPI Shareholders	**20%**
Other Non-resident Shareholders	**20% or lower rate** as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

Notes :

All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.

Kindly note that the aforementioned documents (duly completed and signed) are required to be submitted to our Registrars & Transfer Agents, Link Intime India Private Limited at its dedicated link mentioned below - https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before 24th June, 2023, 5.00 p.m. Indian Standard Time (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

No communication on the tax determination/deduction in respect of the said final Dividend shall be entertained after 24th June, 2023, 5.00 p.m. (IST). It may be further noted that in case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address rnt.helpdesk@linkintime.co.in The Company shall arrange to email a soft copy of TDS certificate to you at your registered email address in due course after filing of Quarterly return and once TDS Certificates are generated.

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://incometaxindiaefiling.gov.in

Disclaimer: This Communication is not to be treated as an advice from the Company or its affiliates or Link Intime India Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

No claim shall lie against the Company for such taxes deducted.

For further details in respect of withholding tax on Dividend, refer to the FAQs uploaded on the Company's website at https://www.digvijaycement.com/investors-centre/

We request your cooperation in this regard.

Thanking You,

Yours faithfully,
For **Shree Digvijay Cement Company Limited**
Sd/-
Suresh Meher
VP (Legal) & Company Secretary