

## **MAWANA SUGARS LIMITED**

**CIN: L74100DL1961PLC003413**

**Registered Office:** 5th Floor Kirti Mahal 19 Rajendra Place New Delhi – 110125, Phone:  
011-25739103

**Corporate Office:** Plot No. 3, Institutional Area, Sector - 32, Gurugram – 122001, Phone:  
0124-4298000

**Website:** [www.mawanasugars.com](http://www.mawanasugars.com); **Email:** [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com);

### **Communication – Tax deduction at Source (TDS) on Dividend**

Ref: Folio/ DP Id & Client Id No: <<<>>>

Name of Shareholder: <<<>>>

Dear Sir/Madam,

We wish that you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of your Company at its Meeting held on May 30, 2023, has recommended the payment of a final dividend of Rs. 3/- per equity share of the face value of Rs. 10/- each for the financial year ended March 31, 2023.

The dividend, as recommended by the Board of Directors, if approved at the ensuing Annual General Meeting scheduled to be held on July 14, 2023, will be paid to those shareholders holding shares in a physical form whose names appear in the Register of Members of the company and in respect of equity shares held in dematerialised form as per the details furnished by the depositories as beneficial owners of the shares as at the close of business hours on Friday, July 07, 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, the Dividend payments after 1<sup>st</sup> April, 2020 shall be taxable in the hands of shareholders. Accordingly, the Company shall be required to deduct tax at source at the prescribed rates at the time of making the payment to shareholders.

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:**

- i. 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 / Invalid PAN/ PAN not linked with Aadhaar/ has not registered their valid PAN details in their account.
- ii. In accordance with Section 206AB of the Act (refer Point C below), tax shall be deducted at source from the dividend amount at the rate of 20% in certain cases, the applicability of which will be based on verification by the Company from the Government enabled online compliance check functionality for Section 206AB.

S. No.	Particulars	Applicable Rate of TDS
1	Shareholders who have registered their valid PAN	10%
2	Shareholders who do not have PAN / Invalid PAN/ PAN not linked with Aadhaar/ has not registered their valid PAN details in their account.	20%
3	A specified person as per Section 206AB (refer Point C below)	20%

- iii. 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 or 15H along with the self-attested copy of the PAN card.	Nil

Format for Form 15G and 15H are enclosed in **Annexure 1 and 2** respectively. The said filed form may be emailed to us at [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com).

**b) Non-Individual Shareholders:**

<b>S. No.</b>	<b>Particulars</b>	<b>Applicable Rate of TDS</b>	<b>Documents Required</b>
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	a 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> .

- iv. 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. Please note the TAN of Mawana Sugars Limited is to be mentioned in the said certificate as DELS22826G.

## **B. 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 not being a company, or to a foreign company.
- 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.
  2. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident;
  3. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 to avail the benefit of DTAA pursuant to Notification no. 03/2022 dated 16th July 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form in **Annexure – 4**

as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only);

4. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement in **Annexure 5**;
  5. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
- iii. 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.
  - iv. 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. Please note that the TAN of Mawana Sugars Limited to be mentioned in the lower deduction certificate as DELS22826G.
  - v. 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 6** in order to avoid deduction of tax at higher rate.

**C. 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.

**D. Declaration under Rule 37BA:**

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

**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)

2. 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 [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com) on or before July 07, 2023 to update our records.**
3. No communication on the tax determination/deduction shall be entertained post July 07, 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/foervices/#/login>.
4. **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.**

5. 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 lateron, 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.

**Encl: As Above**

Thanking you,

Yours faithfully,  
For **Mawana Sugars Limited**

Sd/-

**Ashok Kumar Shukla**  
**Company Secretary & Compliance Officer**

**Note: Please don't reply to this e-mail, as this e-mail id is not monitored.**