



Patels Airtemp (India) Limited

Ref. No. : PAT/SD/TDS Letter/2023-2024/16VIII
Date : 16th August, 2024

To,
BSE Limited
Corporate Relation Department
Phiroze Jeejeebhoy Towers, Dalal Street, Fort,
Mumbai: 400 001

Scrip Code No. 517417 | Script Name: PATELSAI | ISIN: INE082C01024

Dear Sir/Madam,

Sub: Communication to Shareholders – Intimation on Tax Deduction at Source (TDS) on Dividend for financial year 2023-2024

With regard to above, pursuant to the changes introduced by the Finance Act, 2020, the Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders whose email addresses are registered with the Company/Depositories explaining about the process and documents required for claiming Tax Exemption on dividend income.

You are requested to take the same on record.

Thanking You.

Yours faithfully,
For Patels Airtemp (India) Limited

Nikhil M. Patel
Company Secretary & Compliance Officer
(Membership No.: A6814)



Encl: As above

Works :
805, 806, 807, 810, Rakanpur 382 722,
Via : Sola - Bhadaj Village, Ta. : Kalol,
Dist. : Gandhinagar, Gujarat, India.
Ph. : +91 2764 286634 / 35, 286480 / 81,
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Email : works@patelsairtemp.com

Regd. Office :
5th Floor, Kalpana Complex,
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Ahmedabad - 380 009. Gujarat, India.
Ph. : +91 79 27913694 / 95 / 96
Fax : +91 79 27913693
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USA Office :
Patels Airtemp (USA) Inc.
4548, Talisman St,
Torrance, CA - 90503 USA.
Ph. : 323 207 7793
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ISO 9001 : 2015 COMPANY



ASME "N" / "NPT" / "MO" / "U" / "U2" / "S"
NATIONAL BOARD "NB" / "R"
MEMBER OF : HTRI - USA
CIN NO. L29190GJ1992PLC017801



Patels Airtemp (India) Limited

Registered Office:- 5th Floor, Kalpana Complex, Near Memnagar Fire Station Navrangpura, Ahmedabad - 380009
Ph.: +91-79-27913694 / 95 / 96 | Email : share@patelairtemp.com | CIN: L29190GJ1992PLC017801

Date: _____

Dear Shareholder,

Sub.: Communication in respect of deduction of tax at source on dividend pay-out

We are pleased to inform you that the Board of Directors of **Patels Airtemp (India) Limited (“the Company”)** at their meeting held on 24th May, 2024 have recommended a dividend of ₹3.00 per Equity Share of ₹ 10/- each (30%) for the financial year ended 31st March, 2024. This dividend is subject to approval of Shareholders at the ensuing 32nd Annual General Meeting (“AGM”) of the Company scheduled to be held on **Saturday, 21st September, 2024.**

The Company has notified closure of Register of Members and Share Transfer Books from 13th September, 2024 to 21st September, 2024 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved at the Meeting.

The dividend will be paid within 30 days from the date of AGM, subject to deduction of tax at source:

To those members, whose names appear in the Register of Members in respect of shares held in physical form on 12th September, 2024, or

in respect of shares held in electronic form, to those “Beneficial Owners” whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 12th September, 2024.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details. Members are requested to register / update their complete bank details with their Depository Participant(s) with which they maintain their demat accounts.

Shareholders may note that pursuant to the changes in the Income Tax Act, 1961 (‘the Act’) as amended by the Finance Act 2020, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source (“TDS”) at the time of making the payment of dividend to shareholders at the prescribed rates.

For Resident shareholders, taxes shall be deducted at source under section 194 of the Act, as follows:

Shareholders with valid PAN	10%
Shareholders without / Invalid PAN	20%
Shareholders who have not filed their return 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, and aggregate of tax deducted / tax collected at source is ₹50,000 or more in each of these two years (Specified Person u/s 206AB)	20%

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them from the Company during the financial year 2024-25 does not exceed ₹5,000 and also in cases where shareholder provide form 15G (applicable to an individual whose age is below 60 years)/ form 15H (applicable to an individual whose age is 60 years and above) subject to conditions specified in the Act. Shareholders may also submit any other document as prescribed under the Act to claim a lower/nil withholding tax. PAN is mandatory for shareholders providing form 15G/ form 15H or any other documents as mentioned above. Form15G/15H can be downloaded from <https://www.bigshareonline.com/Resources.aspx>.



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For Resident Mutual funds, AIFs and Insurance Company shareholders:

In order to provide exemption from TDS on the dividend payable to a Mutual Fund, an Alternative Investment Fund (AIF) established in India or an Insurance Company, shareholders should submit the below documents along with exemption notification, if any, as per the relevant provisions of the Act:

An Insurance Company as specified in section 194 of the Act: Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certificate issued by the IRDAI - Annexure 1.

- a. Mutual Funds: Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate. - Annexure 2
- b. AIFs: Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI - Annexure 3

Declaration for exemption under Circular 18/2017 of the Act:

In case of any shareholder whose income is subject to lower rate of TDS, or is exempt under the Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the Act, duly signed by the authorized signatory:

- a. Lower withholding tax certificate for the financial year 2024-25, if any obtained from the Income Tax authorities.
- b. In case the shareholder has obtained tax exemption status under any provisions of the Act, the documentary evidence along with declaration for the same - Annexure 4

For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of section 195 and other applicable sections of the Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. However, as per section 90 of the Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

- Self-attested Tax Residency Certificate (TRC) for the financial year 2024-25, obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under sub-rule 2 of Rule 37BC to be submitted - Annexure 5
- Self-declaration in Form 10F duly filled and signed - 10F Form
- Self-declaration from non-resident shareholder - Annexure 7, primarily covering the following:
 - a. Non-resident is and will continue to remain a tax resident of the country of residence during the financial year 2024-25;
 - b. Non-resident is eligible to claim the benefit of respective tax treaty;
 - c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - d. Non-resident receiving the dividend income is the beneficial owner of such income;
 - e. Dividend income is not attributable/effectively connected to any permanent establishment (PE) or fixed base in India;



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- f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate; and
- g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- Any other documents as prescribed under the Act for lower withholding tax if applicable, duly attested by the shareholder.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA (2) of the Income Tax Rules, 1962 - Annexure 8. We request you to provide any such details latest by 5:00 p.m. (IST) on **Thursday, 12th September, 2024.**

Section 206AB of the Act

Rate of TDS @ 10% under section 194 of the Act is subject to provisions of section 206AB of the Act (effective from 1st July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the tax return, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB as who satisfies the following conditions:

A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the I-T Act has expired; and

The aggregate of TDS and TCS in his case is ₹50,000 or more in each of these two previous years.

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

Further as per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act.



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For all shareholders:

Shareholders are requested to update tax residential status, address, permanent account number (PAN), registered email address, mobile number, Bank Account details, in case of individual shareholders, Aadhaar number (in addition to PAN) and other details with their depository participants, in case the shares are held in dematerialized form. Shareholder holding shares in physical mode, are requested to furnish details to the Company's Registrar and Share Transfer Agent (RTA) bssahd@bigshareonline.com.

Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN within prescribed timelines, to avoid deduction of tax at higher rates.

The formats of above declarations are available on the website of RTA at www.bigshareonline.com. The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at bssahd@bigshareonline.com.

The aforementioned forms / annexures for tax exemption can be downloaded from the website of our RTA at <https://www.bigshareonline.com/Resources.aspx>

All the forms / annexures are available under the head "Form 15G/15H/10F", on the Investors section, under "Investors Resources" tab.

The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at tds@bigshareonline.com.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the above mentioned details and documents as applicable to you on or before 5.00 p.m. (IST) on **Thursday, 12th September, 2024**. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said final dividend/ furnishing of TDS returns for the second quarter of financial year 2024-25 with the authorities.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered post 5.00 p.m. (IST) Thursday, 12th September, 2024.

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned information available as on **12th September, 2024** as per the details available with the Depositories/R & T Agent.

Shareholder holding shares in Physical mode may note that SEBI vide its various circulars mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the Act, and claim an appropriate refund, if eligible.



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All communications/ queries in this respect should be addressed to our RTA, M/s. Bigshare Services Private Limited at their e-mail ID: tds@bigshareonline.com.

Further, shareholders who have not registered / updated their email address are requested to register / update the same with their depository participant and physical shareholders can send their consent at investor@bigshareonline.com along with their folio no. and valid e-mail address for registration / updation.

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

We request for your kind co-operation in this regard.

For Patels Airtemp (India) Limited

Sd/-
Nikhil M. Patel
Company Secretary &
Compliance Officer