

**ADDI INDUSTRIES LIMITED**

Regd. Office : A - 104, 3rd Floor, DDA Shed,  
Okhla Industrial Area Phase-II, New Delhi-110020

TEL. : 011-45025469

E-MAIL : addiind@gmail.com, atul.addi@gmail.com

WEB : www.addiindustries.com

CIN No. : L51109DL1980PLC256335

GSTIN : 07AAACA7660H1ZQ

September 10, 2024

Listing Centre

The Listing Department  
BSE Limited,  
PhirozeJeejeebhoy Towers  
Dalal Street Fort  
Mumbai - 400001

Scrip Code: 507852

Subject: Communication sent to Shareholders regarding deduction of Tax on dividend for the Financial year 2023-24

Dear Sir/Madam,

Pursuant to the provisions of the Income Tax Act, 1961 dividend income shall be taxable in the hands of shareholders. In this regard, the Company has sent a detailed communication to all the Shareholders holding shares on Monday, 09<sup>th</sup> September, 2024 whose email addresses are registered with the Company/Depositories indicating the process and documentation required for claiming exemption from deduction of tax on dividend. A Specimen copy of the said communication sent to the shareholders is enclosed herewith.

Kindly take the same on your records.

Thanking you

Very truly yours

ADDI INDUSTRIES LIMITED

**TARANJEET KAUR**  
Digitally signed by  
TARANJEET KAUR  
Date: 2024.09.10  
12:28:40 +05'30'

Taranjeet Kaur  
Company Secretary  
Membership No. 8991

Encl: As above



# ADDI INDUSTRIES LIMITED

CIN: L51109DL1980PLC256335

Registered Office A-104, Third Floor, Okhla Industrial Area

Phase – II, New Delhi - 110020

Phone: 011-45025469, Email: atul.addi@gmail.com, addiind@gmail.com

Website: www.addiindustries.com

Dear Shareholder(s),

## Sub: Communication for deduction of Tax on Dividend for 2023-24

We are pleased to inform you that the Board of Directors have, at their Meeting held on 13<sup>th</sup> August, 2024, recommended a dividend of Rs.1.25/- per Equity Share of face value of Rs.5/- each for the financial year ended 31<sup>st</sup> March, 2024. As you are aware, as per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends paid or distributed by a Company shall be taxable in the hands of the Shareholders and the Company shall be required to deduct tax at source (TDS) at the time of making the payment of the Dividend, if declared, at the ensuing 42<sup>nd</sup> Annual General Meeting of the Company.

This Communication provides the applicable TDS provisions under the Act for Resident and Non-Resident shareholders categories.

The TDS rate may vary depending on the residential status of the shareholders, its classification under the provisions of the Act and the documents submitted and accepted by the Company in accordance with the provisions of the Act.

Please refer to the table 1 & 2 below for the rates of TDS applicable for FY 2024-25 to various categories of shareholders and documents to be provided. It is highlighted that the below mentioned TDS rates are subject to any amendment that may be introduced in the upcoming Budget 2024 and effect of amendment (if any) will be automatically taken into effect while considering the TDS rate:

**TABLE 1: RESIDENT SHAREHOLDERS**

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder, who is not a 'specified person' as per section 206AB	10% <i>(refer Note 1 and Note 2 below)</i>	Update the Permanent Account Number ('PAN') if not already done with depositories (in case of shares held in Demat mode) and with the Company (in case of shares held in physical mode). No deduction of taxes will be made in the following cases - <ul style="list-style-type: none"><li>If dividend income paid to a resident Individual shareholder paid or likely to be paid during FY 2024-25 does not exceed Rs. 5,000/-</li><li>If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN and registration documents along with the valid documentary evidence in support of the exemption.</li></ul>
Resident Shareholder submitting Form 15G/ Form 15H as per Section 197A of the Act	NIL	Eligible Resident Shareholder providing duly signed Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual who is of the age of 60 years or above at any time during FY 2024-25) - on fulfillment of prescribed conditions and furnishing copy of PAN. Please refer attached formats and <b>Note 2</b> .
Certificate under section 197 of the Act	Rate provided in the certificate	Lower/ Nil withholding tax certificate obtained from Income Tax Authorities.

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Life Insurance Company established under LIC Act, 1956 and GIC and Other Insurance Companies specified under Second Proviso to Section 194 of the Act	NIL	Documentary evidence that the assessee is covered under Second Proviso to Section 194 of the Act. Further, in case of Insurance Companies, self-attested copy of registration certificate issued by IRDAI would be required. <b>Refer Note 2 also.</b>
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	<p>(a) Self-Declaration stating that the shareholder is</p> <ul style="list-style-type: none"> <li>- 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 (giving the details of Act or Law under which it is exempt)</li> <li>- covered by section 196(iii) of the Act; and <ul style="list-style-type: none"> <li>i) dividend is payable in respect of securities or shares owned by corporation; or</li> <li>ii) in respect of shares in which corporation has full beneficial interest</li> </ul> </li> </ul> <p>(b) Self-attested copy of PAN Card; and</p> <p>(c) Self-attested copy of certificate of incorporation.</p> <p><b>Refer Note 2 also.</b></p>
Mutual Funds specified u/s 10(23D) of the Act	NIL	<ul style="list-style-type: none"> <li>- Self-Declaration stating that the shareholder is <ul style="list-style-type: none"> <li>a) Mutual Funds specified u/s 10(23D) of the Act; and <ul style="list-style-type: none"> <li>• dividend is payable in respect of securities or shares owned by mutual fund or</li> <li>• in which mutual fund has full beneficial interest.</li> </ul> </li> <li>b) covered by section 196(iv) of the Act.</li> </ul> </li> <li>- Self-Attested copy of the registration certificate issued by SEBI.</li> <li>- Self-Attested copy of PAN Card.</li> </ul> <p><b>Refer Note 2 also.</b></p>
Alternative Investment fund	NIL	<p>(a) Documentary evidence (Self-Attested Copy of Notification issued by the Central Government in official Gazette in this behalf) that the fund is covered under newly substituted Section 197A(1F) of the Act.</p> <p>(b) A declaration that its income is exempt u/s 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with a copy of valid SEBI registration certificate (self-attested).</p> <p>(c) Self-Attested Copy of the PAN card.</p> <p><b>Refer Note 2 also</b></p> <p>Note: The name of AIF claiming exemption should be notified by the Central Government in the official Gazette.</p>

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Other resident shareholders without PAN/ invalid/ inoperative PAN	20%	As per section 206AA of the Act (refer Note 1 and Note 2 below)

### Note 1

Rate of TDS @ 10% u/s 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 taxpayers who have not filed their income-tax returns (referred to as 'Specified Persons'). Under section 206AB of the Act, tax is to be deducted at **higher** of the following rates in case of payments to the 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%

'Specified Person' as defined under section 206AB(3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for the assessment year relevant to the previous year immediately preceding 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 Act has expired; and
- The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in aforesaid previous year.

Non-resident shareholders who do not have Permanent Establishment ('PE') in India are excluded from the scope of a 'Specified Person'.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder who has not submitted PAN as well as not filed its income tax return, tax will be deducted at higher of the rates prescribed in these sections.

The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021 introduced new functionality for compliance check for the purpose of Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said functionality to determine the applicability of Section 206AB of the Act. In the cases of resident shareholders, if PAN of a shareholder is not updated, it shall be assumed that the shareholder is a "specified person" for the purpose of section 206AB of the Act and the TDS rate would be regulated under the applicable provisions of the Act.

### Note 2

- PAN is mandatory to be registered for each Folio/DP id- Client Id. In absence of a valid/ operative PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act and tax credit certificate cannot be generated.
- 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 one PAN will be considered on their entire holding in different accounts.
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- As per Section 139AA of the Income Tax 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 to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using the functionality of the Income-tax department



for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.

- 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.

**TABLE 2: NON-RESIDENT SHAREHOLDERS**

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI) referred under section 115AD read with section 196D of the Act.	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower <i>(also refer Note 3 below)</i>	<p>Shareholders may opt for tax rate under Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company:-</p> <ol style="list-style-type: none"> <li>Self attested copy of PAN Card, if any</li> <li>Self attested copy of registration as FII/ FPI by SEBI</li> <li>Self-attested copy of Tax Residency Certificate ('TRC') obtained from the Income Tax Authorities of the country of which the shareholder is resident evidencing and certifying shareholder's tax residency status during FY 2024-25.</li> <li>Acknowledged copy of electronically filed declaration in Form 10F on the income tax e-filing portal relevant for FY 2024-25. .</li> <li>Self-declaration confirming               <ol style="list-style-type: none"> <li>Beneficial ownership of shares as well as dividends during FY 2024-25,</li> <li>Not having a PE / fixed base/ business connection/ place of effective management in India;</li> </ol> <p>And</p> <ol style="list-style-type: none"> <li>Eligibility to avail Double Taxation Avoidance Agreement ("Tax Treaty") benefit including for the purpose of withholding of taxes (format, attached).</li> </ol> </li> </ol> <p>If any of the above documents are not provided, TDS shall be deducted as per provisions of the Act. <b>Refer Note 3 also.</b></p>
Submitting certificate under section 197 of the Act	Rate provided in the certificate	Lower/ NIL withholding tax certificate obtained from Income Tax Authorities.

<p>Any other non-resident shareholder or a Foreign company referred under section 115A of the Act</p>	<p>20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower (also refer Note 3 below)</p>	<p>Non-resident shareholders may opt for tax rate under Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company:-</p> <ul style="list-style-type: none"> <li>• Self-attested copy of the PAN allotted by the Income Tax Authorities.</li> <li>• Self-attested copy of TRC obtained from the Income Tax Authorities of the country of which the shareholder is resident evidencing and certifying shareholder's tax residency status during FY 2024-25.</li> <li>• Acknowledged copy of electronically filed declaration in Form 10F on the income tax e-filing portal relevant for FY 2024-25</li> <li>• Self-declaration confirming <ul style="list-style-type: none"> <li>(a) Beneficial ownership of shares as well as dividends during FY 2024-25,</li> <li>(b) Not having a PE / fixed base/ business connection/ place of effective management in India; and</li> <li>(c) Eligibility to avail Tax Treaty benefit including for the purpose of withholding of taxes (format attached). Also refer note below.</li> </ul> </li> </ul> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. <b>Refer Note 3 also.</b></p>
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### Note 3

- In case of Non-Individuals Declaration of No PE and Beneficial Ownership should be on the Letterhead of the Entity.
- Where the PAN is either not available or is invalid, Tax Treaty benefit shall not be granted and tax shall be deducted at the prescribed rate or 20%, whichever is higher. However, in case a declaration in the format given below is provided by the shareholder provision of section 206AA would not be applicable.
- The 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
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted and satisfactory review of the same by the Company.
- The above communication on TDS sets out the provisions of Act in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be emailed to us at email ID [aggiind@gmail.com](mailto:aggiind@gmail.com) on or before **September 20, 2024** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction

shall be considered **post, September 20, 2024**. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted/not deducted.

If the tax on said Final Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by **September 20, 2024**, the shareholder may claim an appropriate refund in the return of income to be filed with the Income Tax Authorities.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, after payment of the said Final Dividend. TDS certificate cannot be generated for resident shareholders not having PAN. Shareholders whose valid PAN would be available, 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/fooservices/#/login>

We request your kind cooperation in this regard.

Thanking you,

Yours faithfully,  
For Addi Industries Limited

**Sd/-**  
**Taranjeet Kaur**  
**Company Secretary**  
**Membership No. 8991**