

**ATAM VALVES LIMITED**  
**CIN: L27109PB1985PLC006476**  
**Regd. Office : 1051,INDUSTRIAL AREA ,JALANDHAR,PUNJAB**  
**Phone No.: +91 181 5001111 Fax No.: +91 181 2290611**

**Folio/DPID-Client id** : [DPCL]  
**Name of the Shareholder:** [REFNO]

Dear Shareholder(s),

**Sub: Communication in respect of deduction of Tax at Source (TDS) on Final Dividend pay-out..**

Dear Shareholder,

Trust you and your family are safe and in good health.

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on May 11<sup>th</sup>, 2023 has recommended the final dividend at Rs.1.50/- per equity share having face value of Rs.10/- each for the financial year ended March 31<sup>st</sup>, 2023. The said dividend will be paid to those shareholders whose names appear in the Register of Members of the company or in the records of the Depositories as beneficial owners of the shares as on the record date i.e., September 23<sup>rd</sup>, 2023 decided by the Board of Directors at its Meeting held on September 04<sup>th</sup>, 2023.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend paid or distributed by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

This communication summarizes the applicable TDS provisions, as per the Income Tax Act, 1961, for Resident and Non-Resident shareholder categories.

**For Resident Shareholders:**

1. Where, the Permanent Account Number (PAN) is available and is valid,
  - a. Tax shall be deducted at source in accordance with the provisions of the Income Tax Act, 1961 at 10% on the amount of dividend payable.
  - b. No tax shall be deducted in the case of a resident individual shareholder, if:
    - i. the amount of such dividend in aggregate paid or likely to be paid during the financial year 2023-24 does not exceed INR 5,000; OR
    - ii. the shareholder provides duly signed 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. The aforementioned forms are attached herewith.
2. Where the PAN is either not available or is invalid, tax shall be deducted at 20% as per Section 206AA of the Income Tax Act, 1961.

**For Non-Resident Shareholders:**

1. Tax is required to be deducted in accordance with the provisions of the Income Tax Act, 1961 at applicable rates in force. As per relevant provisions, tax deducted shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.
2. As per the provisions of the Income Tax Act, 1961, the non-resident shareholder has 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 such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents:

- Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities;
- Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status;
- Completed and duly signed Self-Declaration in Form 10F (attached herewith);
- Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty;
- Self-declaration of Beneficial ownership by the non-resident shareholder (draft format attached herewith).

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before September 22nd, 2023. The said Dividend will be paid after deducting the tax at source as under:

- Nil for resident shareholders in case Form 15G / Form15H (as applicable) along with self-attested copy of the PAN is submitted or if total dividend payable is less than Rs. 5000 during the financial year 2022-23.
- 10% for resident shareholders in case PAN is provided/available.
- 20% plus applicable surcharge and cess, for resident shareholders in case PAN is not provided / not available.
- Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted.

Please note that the above-mentioned documents duly completed and signed are required to be emailed [cs@atamfebi.com](mailto:cs@atamfebi.com) on or before September 22nd, 2023, in order to enable the Company to determine and deduct the appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained and considered if it's received incomplete or unsigned or received post- September 22nd, 2023.

The Company will arrange to email a soft copy of the TDS certificate to you at your registered email ID post-completion of activities.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

No claim shall lie against the Company for such Taxes Deducted.

*Disclaimer: This Communication shall not be treated as an advice from the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional.*

We request your cooperation in this regard.

Thank you.

With warm regards,  
Natisha Choudhary  
Company Secretary & Compliance Officer

Note: This is a system generated Email and hence does not require signature. Please do not reply to this Email.