



THE ANUP ENGINEERING LIMITED

(Formerly known as Anveshan Heavy Engineering Limited)

CIN: L29306GJ2017PLC099085

Registered Office: Behind 66 KV, Elec. Sub-Station, Odhav Road, Ahmedabad – 382 415, Gujarat, India

Phone No.: 079-2287 2823, 2287 0622 Fax No.: 079 – 2287 0642

Date: 11.08.2020

Dear Shareholder,

Subject: Deduction of tax at source on dividend

We are pleased to inform you that the Board of Directors at their Meeting held on Wednesday, 24th June 2020 have recommended payment of dividend of Rs. 7/- (Rupee Seven only) per equity share of face value of Rs. 10/- (Rupee Ten) each for the Financial Year ended 31st March 2020, subject to approval of shareholders in the ensuing Annual General Meeting (AGM).

The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid (after deducting tax at source) to shareholders holding equity shares of the Company on record date, either in electronic or in physical, for determining eligibility of shareholders to receive dividend.

Pursuant to the General Circular No. 20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs, the dividend will be paid electronically in the Members bank accounts. The Company will keep on hold cheques/demand drafts of the members who have not registered their bank details with the Company and will dispatch the same once the postal services are normalized.

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Registrar and Transfer Agent (RTA) i.e. Linkintime India Private Limited ("Link"). This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to updated your email addresses and Permanent Account Numbers on the below mentioned link by quoting your Folio No./DP/Client ID, Certificate No, PAN, Mobile No., Email-Id along with a self-attested copy of your PAN Card / Aadhar / Valid Passport / Share Certificate etc.: https://linkintime.co.in/EmailReg/email_register.html

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.

This communication summarizes the applicable TDS provisions in accordance with the provisions of the Act for various categories, including Resident or Non-Resident members.

FOR ALL SHAREHOLDERS - UPDATION OF DETAILS, AS APPLICABLE

All Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); or in case of shares held in physical form, with the RTA or Company.

Please note that the following details, in case you had already registered with the Company, as available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

I. Valid Permanent Account Number.

II. Residential status as per the Act i.e. Resident or Non-Resident for FY 2020-21.

III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, etc.

IV. Email Address.

V. Residential Address.

For resident shareholders: Tax will be deducted at source under section 194 of the Act @ 7.5% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000/-.

Tax at source will also not be deducted in cases where a 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), provided that the eligibility conditions are being met. The format of Form 15G and Form 15H are enclosed as **Enclosure 1** and **2** respectively.

TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under section 197 of the Act, if such valid certificate is provided.

Needless to mention, the Permanent Account Number will be mandatorily required. If PAN is not submitted or is invalid, TDS would be deducted @ 20% as per Section 206AA of the Act.

In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

1. **Insurance companies:** A declaration that they are beneficial owners of shares held;
2. **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested);
3. **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) should be provided;
4. **New Pension System Trust:** A declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act along with copy of registration documents (self-attested);
5. **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:** Documentary evidence that the person is covered under section 196 of the Act.

For non-resident shareholders: tax is required to be withheld in accordance with the provisions of Section 195 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. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the 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 benefits, the non-resident shareholder will have to provide the following:

1. Self-attested copy of PAN card, if any, 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. Request you to kindly note that TRC should cover the period of payment i.e. FY 2020-21 and should be in English Language. If the local language is other than English, TRC shall be required to be translated into English and be required to be notarized/apostille;
3. Self-declaration in Form 10F. The format of Form 10F is enclosed as **Enclosure 3**;
4. Self-declaration in the format enclosed as **Enclosure 4**;

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 shareholders.

TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under section 197 of the Act, if such valid certificate is provided.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents at the earliest.

To summarise, dividend will be paid after deducting the tax at source as under:

1. NIL for individual resident shareholders receiving dividend upto Rs.5000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted;
2. 7.5% for resident shareholders in case copy of PAN card is provided/available;
3. 20% for resident shareholders if copy of PAN card is not provided / not available;
4. Tax will be assessed on the basis of documents submitted by the non-resident shareholders;
5. 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted;
6. Lower/ NIL TDS on submission of self-attested copy of the certificate issued under section 197 of the Act.

Kindly note that the aforementioned documents should be uploaded with Linkintime India Private Limited, the Registrar and Transfer Agent ("Link") at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email to divided@anupengg.com and physical copy at registered office of the company: The Anup Engineering Limited, Behind 66 KV Elec. Sub Station, Odhav Road, Ahmedabad-382345, Gujarat, India.

In case tax on dividend is deducted at a higher rate in the absence of receipt or insufficiency of the aforementioned details / documents from you, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. Shareholders will be able to see the credit of TDS in Form No.26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>, in case their PAN is registered with the income tax department.

In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Book Closure Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

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), especially with respect to its residential status such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation at the time of payment of dividend/during the course of any appellate proceedings.

Above communication on TDS sets out the provisions of law 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.

We seek your co-operation in the matter.

Thanking you,

**Yours faithfully,
For The Anup Engineering Limited**

**Sd/-
Chintankumar Patel
Company Secretary**