

- Electronic Weighing Scales & Systems
- Electronic Currency Counting Machines
- Electronic Fare Meters
- Home Automation

14/09/2024

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E), Mumbai - 400051

(ISIN: INE439T01012 SYMBOL: NITIRAJ)

Dear Sir/Madam,

Sub: Communication to Shareholders - Intimation of Tax Deduction on Dividend

Pursuant to the Finance Act, 2020, with effect from April 1, 2020, 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 e-mail communication which has been sent to all the shareholders of the Company whose e-mail IDs are registered with the Company/Depositories, explaining the process on withholding tax from dividends paid to the Shareholders at prescribed rates, as may be applicable.

This communication is also being made available on the website of the Company at <https://nitiraj.net/corporate-governance/>

This is for your information and records.

Yours Sincerely,

FOR NITIRAJ ENGINEERS LIMITED

DEEPIKA DALMIYA

Company Secretary & Compliance Officer

M.NO: A58029

Encl: As above

THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder,

We are pleased to inform you that the Board of Directors of **Nitiraj Engineers Limited** (“the Company”) at their meeting held on 27th May 2024 have proposed a dividend of ₹ 1.5 per equity share of ₹10/- each (15%) for the financial year ended 31st March 2024. This dividend is subject to approval of shareholders at the ensuing Annual General Meeting (“AGM”) scheduled to be held on **Tuesday, 24th September 2024**.

The dividend will be paid On or after 30th September, 2024, to the Members whose names appear on the Company’s Register of Members as on the Record Date i.e., **Tuesday, 17th September, 2024** and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

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 despatched 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 FY 2020-21 2021-22 and aggregate of tax deducted / tax collected at source is ₹50,000 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>

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:

- a. 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**
- b. 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**
- c. 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;
 - 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 hand's 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 **Tuesday, 17th 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.

For all shareholders:

Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants, in case the shares are held in dematerialized form. In case a shareholder is holding shares in physical mode, he/she is requested to furnish details to the Company's Registrar and Transfer Agent (RTA), M/s. Bigshare Services Private Limited.

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 11.59 p.m. (IST) on Tuesday, 17th 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 11.59 p.m. (IST) **Tuesday, 17th September, 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.

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.

For Nitiraj Engineers Limited

**Sd/-
Dipika Dalmiya
Company Secretary &
Compliance Officer**