



AARON Industries Limited

(CIN-L31908GJ2013PLC077306)

Registered Office & Unit-1: B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat -394210, Gujarat.

Unit -2 : Block No.251-B, Royal Industrial Park, Vill- Moti Pardi, Ta. Mangrol, Surat - 394120, Gujarat.

Tel:- 0261-2278410, E-Mail:- info1@aaronindustries.net, Website:- www.aaronindustries.net

August 09, 2022

To,
The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Symbol: AARON

Subject: Communication to Shareholders – Intimation w.r.t. Tax Deduction on Dividend.

Dear Sir/ Madam,

Pursuant to the Finance Act, 2020, with effect from April 01, 2020, the Dividend Distribution Tax has been abolished and Dividend income is taxable in the hands of the shareholders. The Companies are required to withhold tax at source from Dividends paid to shareholders at prescribed rates (plus applicable surcharge and cess), as may be notified from time to time.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders of the Company, whose email IDs are registered with the Company/Registrar and Share Transfer Agent/Depositories, elaborating the process to be followed along with the necessary annexures.

This communication is also being made available on the website of the Company at www.aaronindustries.net.

This is for your information and records.

Thanking You,

Yours faithfully,
For Aaron Industries Limited

N.N. Maniya
Nitinkumar Maniya

Company Secretary & Compliance Officer



Encl.: As above



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Date: August 09, 2022

Name of the Holder:

Ref: DP Id & Client Id No:

Sub: Communication for deduction of Tax at source on Final Dividend for FY 2021-22

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on May 12, 2022, has recommended the Final Dividend at the rate of 8% i.e. of ₹ 0.80/- per Equity Share of the face value of ₹ 10/- each for the Financial Year 2021-22, subject to the approval of the Members at the ensuing Annual General Meeting of the Company and if approved, then it 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 at the closure of business hours on the fixed Record date i.e. on September 03, 2022.

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 01, 2020, the Dividend paid or distributed by the Company shall be taxable in the hands of shareholders. Accordingly, the Company shall be required to deduct tax at source (TDS) from the Dividend paid to the shareholders at the applicable rates.

This communication summarizes the applicable TDS provisions, as per the Income Tax Act, 1961, for various categories, including Resident or Non-Resident Shareholders are available below:

a) For Resident Shareholders:

Particular	Applicable Rate	Documents required (If any)
For Resident Shareholders:		
Shareholders with valid PAN	10%	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the Depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents i.e. Bigshare Services Private Limited (in case of shares held in physical mode).
If PAN of the Shareholder is not submitted/ PAN is invalid	20%	N.A.
If a person has not filed his/her return of Income for each of the two preceding	Higher of the following: a) Twice the rate	N.A.

Financial Years and the aggregate of tax deducted at source in his/ her case is ₹ 50,000 or more in each of these two Financial Years.	specified in the relevant provision of the Income-tax Act, 1961; or b)Twice the rate or rates in force; or c)The rate of five percent	
a) For Resident Individual:		
If the total Dividend to be received by a Resident Individual during FY 2022-23 does not exceed ₹ 5,000.	Nil	
Shareholder Submitting Form 15G/ Form 15H		Declaration in Form 15G (for individuals, with no tax liability on total income and income, not exceeding maximum amount which is not chargeable to tax) / Form 15H (for individuals above the age of 60 years with no tax liability on total income) for the FY 2022-23.
Shareholder submitting order under Section 197 of the Income Tax Act, 1961	Rate specified in the said certificate	If a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities, a self-attested copy of the said certificate shall be submitted. The certificate should be valid for FY 2022-23 and should cover the Dividend income.
b) For Resident Non-Individual:		
Insurance Companies as specified under Section 194 of the Income Tax Act, 1961	Nil	Self-declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with a self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA).
Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	Nil	Self-declaration that it is registered with SEBI and is specified and covered under section 10 (23D) of the Income-tax Act, 1961 along with a self-attested copy of the PAN card and certificate of registration with SEBI
Alternative Investment Fund (AIF) established in India	Nil	Self-declaration that its income is exempt under section 10 (23FBA) of

		the Income-tax Act, 1961, and they are registered with SEBI as Category I or Category II AIF along with a self-attested copy of the PAN card and certificate of AIF registration with SEBI.
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	A declaration that it is a corporation established by or under a Central Act whereby income tax is exempt on the income and accordingly, covered under section 196 of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate and relevant extract of the section whereby the income is exempt from tax.
Any other entity entitled to exemption from TDS	Nil	Valid self-attested documentary evidence (e.g., a copy of the relevant registration, notification, order, etc.) in support of the entity being entitled to TDS exemption along with a self-attested copy of the PAN card

b) For Non-resident Shareholders:

Particulars	Applicable Rate	Documents required (if any)
Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is lower, provided documents are received)	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the Depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents i.e. Bigshare Services Private Limited (in case of shares held in physical mode).
Shareholders having PE in India who have not filed an Income Tax return for FY 20-21 (AY 21-22) and the amount of TDS deducted on their PAN is ₹ 50,000 or above	40% (plus applicable surcharge and cess) [Shareholder who has not furnished a declaration stating any Permanent Establishment (PE) in India]	N.A.
Shareholder submitting order under Section 197 of the Income Tax Act, 1961	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from the tax authority. Tax will be deducted at the rate specified in the said certificate, subject to

		furnishing a self-attested copy of the same. The certificate should be valid for FY 2022-23 and should cover the Dividend income.
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As per section 90 read with section 195 of the Income-tax Act, 1961, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) read with applicable Multilateral Instrument (‘MLI’) between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e., to avail of the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following:

- a. Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the FY 2021-22;
- b. Self-declaration in Form 10F;
- c. Self-attested true copy of the PAN Card, if allotted by the Indian Income Tax authorities;
- d. Self-declaration to be provided under Rule 37BC(2) of the Income Tax Rules, 1962
- e. Self-declaration in the format prescribed by the Company, certifying the following points:
 - i. Shareholder is and will continue to remain a tax resident of the country of its residents during the FY 2022-23;
 - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on Dividend declared by the Company;
 - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the FY 2022-23. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
 - v. Shareholder is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - vi. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

All the above-mentioned forms/annexures are available under the head “Form 15G/15H/10F”, on the Investors section, under the “Investors Resources” tab. The forms/annexures for tax exemption can be downloaded from the website of the Company’s RTA - <https://www.bigshareonline.com/Resources.aspx>

All communications/ queries in this respect should be addressed to our RTA, on the link <http://www.bigshareonline.com/InvestorLogin.aspx>.

Shareholders may submit the aforementioned documents to tds@bigshareonline.com on or before Friday, September 02, 2022, in order to enable the Company to determine and deduct appropriate tax.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible. The above-referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

In addition to the above, please note the following:

- i. In case you hold shares under multiple accounts under different statuses/categories but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- ii. In the case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- iii. The Beneficiary data provided by the CDSL and NSDL will be taken into consideration.

In the event of any Income Tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings. The said certificate can also be viewed in Form 26AS at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the website of the Income Tax department of India <https://www.incometax.gov.in/home>.

Further, physical shareholders who have not registered their email address / Bank details are requested to register the same on <https://www.bigshareonline.com/InvestorRegistration.aspx> and Demat Shareholders are requested to link their email IDs and bank accounts to Demat accounts at their depository participant.

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

We request your cooperation in this regard.

Thanking You,

Yours faithfully,

For Aaron Industries Limited

Sd/-

Nitinkumar Maniya

Company Secretary & Compliance Officer