

LA TIM METAL & INDUSTRIES LIMITED

(Formerly known as Drillco Metal Carbides Ltd.)

CIN : L99999MH1974PLCO17951

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Communication in respect of deduction of tax at source on Final Dividend 2020-21

Dear Shareholder(s),

We are pleased to inform you that the Board of Directors of La Tim Metal & Industries Limited ("the Company") at their meeting held on June 28, 2021 has recommended a Final Dividend of Re. 0.50/- per Equity Share of Rs. 10/- each (5%) for the Financial Year ended March 31, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

The record date for determining the entitlement of the shareholders for the payment of aforesaid final dividend shall be Tuesday, 21st September, 2021 and the above dividend shall be paid / dispatched to the equity shareholders of the Company within 30 days from the date of declaration. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 1st April 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of above dividend.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. **Please note that this dividend will be taxable in your hands in the FY 2021-22. Thus, all the details and declarations furnished should pertain to FY 2021-22.**

The tax to be deducted for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
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Any resident shareholder	10%	<p>Update the Permanent Account Number (PAN) if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Satellite Corporate Services Pvt. Ltd. (in case of shares held in physical mode).</p> <p>No deduction of taxes in the following cases</p> <ul style="list-style-type: none"> • If dividend income to a resident individual shareholder during FY 2021-22 does not exceed Rs. 5,000/-, • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Resident Shareholder Submitting Form 15G/ Form 15H	NIL	Eligible Resident Shareholder providing 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) - on fulfilment of prescribed conditions. Please refer attached format.
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable.
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	Documentary evidence that the Corporation is covered under section 196 of the Act.
Mutual Funds specified u/s 10(23D)	NIL	Documentary evidence that the Mutual Fund is covered under section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the fund is covered by Notification No. 51/2015 dated 25 June 2015. (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 registration documents (self attested))
Other resident shareholder without PAN/Invalid PAN	20%	

Please Note that:

- a) **Permanent Account Number is mandatory to be registered for each Folio/DP id-Client Id. In absence of a valid 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.**
- b) **A new section 206AB has been introduced by the Finance Act, 2021, (applicable from July 1, 2021) for deduction of TDS at higher rates in case a person has not been compliant in filing of Income tax returns and TDS deducted in their case is more than the prescribed limit. This compliance will be verified by the Company on the basis of the PAN of the respective shareholder based on information available with the company and from the Utility available at the Income tax reporting portal. Accordingly, based on the outcome of the verification appropriate TDS at higher rate shall be applied on dividend payment.**
- c) **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**

Table 2: Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("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"> • Copy of the PAN Card, if any, allotted by the Indian authorities. • Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident • Self-declaration in Form 10F in the attached form. • Self-declaration confirming not having a Permanent Establishment in India and

		<p>eligibility to Tax Treaty benefit (format attached herewith).</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>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 by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None
Submitting Order under section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note:

- a) **The provisions of section 206AB of the Act (applicable from July 1, 2021), are not applicable to non-resident shareholders if they do not have permanent establishment in India. As stated above, the Company would be undertaking verification of the shareholders on the Government enabled online facility, and in case, if a non-resident shareholder has not filed its return of income for previous two assessment years and TDS deducted in their case is higher than the prescribed limit, then in that case, in the absence of declaration of permanent establishment of the non-resident shareholder, TDS would be deducted at the higher rate as prescribed under section 206AB of the Act.**
- b) **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.**

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be emailed to us at email ID "scs_pl@yahoo.co.in/service@satellitecorporate.com" **on or before 21st September, 2021** 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 21st September, 2021. Further, it may kindly be noted that no claim shall lie against the Company for such taxes 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 21st September, 2021, the shareholder may claim an appropriate refund in the return of income filed with their respective 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 will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, 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.

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 Satellite Corporate Services Pvt. Ltd. This will facilitate receipt of dividend directly into your bank accounts. In case the cancelled cheque leaf does not bear the shareholders name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company or the RTA at the abovementioned emails.

We seek your co-operation in the matter.

Thanking you,

Yours truly,

For La Tim Metal & Industries Limited

Sd/-

Swati Gupta

Company Secretary & Compliance Officer