

South West Pinnacle

Instruction regarding deduction of tax at source on Dividend for FY 2019-20

The Board of Directors of the Company at its Meeting held on 22nd June, 2020, recommended payment of dividend of Rs. 0.50 per equity share of Rs. 10 each for the year ended 31st March, 2020 to non promoter shareholders of the company. The dividend will be paid to the members of the Company after declaration of dividend at the Annual General Meeting of the Company scheduled to be held on 28th September, 2020.

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 may retain dividend warrants of members who have not registered their bank details and thereafter dispatch the same after the normalization of the postal/courier services.

Accordingly, the members are requested to complete necessary formalities with regard to their bank accounts attached to their Demat account for enabling the Company to make timely credit of Dividend in respective bank accounts. Members who have not updated their bank accounts details are requested to update their complete details with their depositories (where shares are held in dematerialised mode).

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 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates.

This communication summarises the applicable TDS provisions in accordance with the provisions of the Income tax Act, 1961, for various categories, including Resident or Non-Resident members.

1) For Resident Members:

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Resident Shareholder	7.5%	No TDS shall be deducted in the case where the total Dividend Income for FY 2020-21 to the Individual Shareholder does not exceed Rs. 5,000/-
Resident Individual submitting form 15G/15H	NIL	i. Duly filled Form 15G (Individual less than 60 years age) ii. Duly filled Form 15H (Individual with age 60 years or more)
Insurance Companies	NIL	i. A declaration that they are Beneficial Owners of Shares held and are covered by exemption proviso of Section 194 of the Act ii. Attested copies of IRDAI Registration Certificate & PAN

Mutual Funds	NIL	<p>i. A Declaration by Mutual Funds that their income is exempt under Section 10(23D) of the Act and there is no requirement to deduct TDS u/s 196(iv) of the Act.</p> <p>ii. Attested copies of registration documents and PAN</p>
Recognized Provident Funds, Approved Superannuation Gratuity Fund	NIL	<p>i. A Declaration that their TDS is not required to be deducted as per circular No.18/2017 issued by CBDT</p> <p>ii. Attested copies of registration documents and PAN</p>
National Pension Scheme	NIL	<p>i. A Declaration that their income is exempt under Section 10 of the Act and there is no requirement to deduct TDS u/s 197A(1E) of the Act</p> <p>ii. Attested copies of registration documents and PAN</p>
Alternative Investment Fund Category- I & II	NIL	<p>i. A Declaration that its income is exempt under section 10(23FBA) read with Section 115UB & notification no. F. No. 275/11/2015-IT (B) dated 25th June, 2015 read with Section 197A(1F) of the Act.</p> <p>ii. Attested copies of SEBI registration documents & PAN.</p>
Order u/s 197 of the Act	Rate provided in the order	<p>i. Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities</p> <p>ii. Self-attested copy of PAN</p> <p>iii. Company's Tax Deduction Account No. [TAN] which is required for applying for Lower / NIL rate.</p>

2) For Non Resident Members:

Non-Resident Shareholder Other than Foreign Institutional Investors	20% (plus applicable Surcharge and cess)	<p>i. If Non-Resident Shareholder wishes to avail the benefits of Tax Treaty, they will have to submit the following: Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;</p>
Foreign Portfolio Investors ('FII/FP1')		<p>i. Self-attested copy of Tax Residency Certificate (TRC) applicable for FY 2020 - 21 obtained from the tax authorities of the Country of which the Shareholder is resident.</p> <p>Please note that TRC of any earlier year will not be entertained for considering treaty benefits.</p>

		ii. Self-Declaration in Form 10F with all the details required in this form iii. Self-Declaration by the Non-Resident Shareholder of having no Permanent Establishment (No PE) /Fixed Base in India, beneficial ownership & compliance with provisions of Multilateral Instrument (MLI). iv. The Company is not obligated to apply the beneficial DTAA rates at the time of Tax deduction / withholding on Dividend amounts. v. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident Shareholders.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI).	20% (plus applicable Surcharge and cess)	Benefit of DTAA not available as covered u/s 196D' of the Act
Submitting Order under section 197 or 195 of the Act.	Rate provided in the order	i. Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities ii. Self-attested copy of PAN iii. Company's Tax Deduction Account No. [TAN]

The members are requested to update the said Documents/Forms with the Depository participant or with company's Registrar and Transfer Agents, **M/s Linkin Time India Private Limited** at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

Note: 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.

Exemption / Lower TDS will be granted to the eligible Shareholder only if the documents submitted by the Shareholder are complete in all respect & subject to satisfactory review by the Company.

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), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

In case Tax on Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the respective Shareholder shall get the credit of the same in his/her 26AS [Annual Tax Statement] & can claim the refund of the excess Tax paid, if any, at the time of filing the Income Tax Return by the Shareholder. No claim shall lie against the Company for such Taxes deducted.

In case of any query, a member may send an email to M/s Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or investors@southwestpinnacle.com