

SFL:BSE:TDS:095:2022-23

18 August 2022

BSE Limited
(Scrip Code : 511066)
Floor 25, P J Towers
Dalal Street
Fort
Mumbai – 400 001

Through : BSE on-line filing portal

Dear Sir / Madam,

Intimation on Tax Deduction on Dividend - Communication to Shareholders

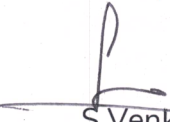
In terms of Finance Act 2020, with effect from 1 April 2020, Dividend Distribution Tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, we submit an e-mail communication which is being sent to all the shareholders having their e-mail ID's registered with the Company / Depositories explaining the process on withholding tax from dividends paid to the shareholders at prescribed rates along with the necessary **Annexures**.

The communication is also available on the website of the Company at **www.sakthifinance.com**.

We request you take the document on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary and
Chief Compliance Officer
FCS 7012



Enc: (1)



Sakthi Finance Limited

CIN: L65910TZ1955PLC000145

Regd Office: 62, Dr. Nanjappa Road, Coimbatore – 641 018

T: (0422) 2231471-474, 4236200 | F: (0422) 2231915

E.mail: investors@sakthifinance.com | Website: www.sakthifinance.com

17th August 2022

Ref: Folio / Dp Id & Client Id No: _____

Name of the Shareholder:

Dear Member,

We are pleased to inform you that the Board of Directors have, at their Meeting held on 24 May 2022, recommended a Dividend of ₹ 0.60 per Equity Share of ₹ 10 each (6%) for the Financial Year ended 31 March 2022 subject to the members' approval at the ensuing Annual General Meeting ("**AGM**") to be held on 28th September 2022.

As you are aware, 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 the shareholders. Accordingly, the Company shall be required to deduct tax at source (if applicable) at the time of making the payment of the Dividend, if declared at the above AGM.

This communication, as detailed below, provides the applicable Tax Deduction at Source ("**TDS**") provisions under the IT Act for Resident and Non-Resident shareholder categories.

Table 1: Resident Shareholders

The shareholders are advised to update their PAN (Permanent Account Number), if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents, SKDC Consultants Limited (in case of shares held in physical mode).

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
Any resident shareholder	10% with Valid PAN OR 20% without PAN	<ul style="list-style-type: none">No TDS in the following cases:<ul style="list-style-type: none">If dividend payable or likely to be paid to a resident individual shareholder during financial year 2022-23 does not exceed ₹ 5,000.If shareholder is exempted from

Category of Shareholders	TDS Rate	Exemption Applicability/ Documents required
	or Invalid PAN	<p>TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to it.</p> <ul style="list-style-type: none"> For shareholders who are considered as "Specified Persons" (see footnote (a) to Table 1) under Section 206AB of IT Act, higher tax rate shall apply. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and accordingly will deduct the TDS.
Submitting Form 15G/Form 15H	Nil	<p>Eligible shareholder providing Form 15G (applicable to Individual (below the age of 60 years) (Annexure 1) / Form 15H (applicable to an Individual aged 60 years and above) (Annexure 2) - on fulfilment of prescribed conditions.</p>
Order under Section 197 of the IT Act	Rate provided in the order	Lower / NIL withholding tax certificates obtained from Income Tax authorities.
Insurance Companies (Public/Other) OR Mutual Funds specified under Section 10 (23D) OR Alternative Investment Fund (covered by Notification No. 51/2015 dated 25 June 2015)	Nil	<p>Self-declaration that it has full beneficial interest with respect to shares owned, along with documentary evidence such as self-attested copy of PAN card and registration certificate (Annexure 3).</p> <p>TDS shall be deducted at applicable rates if any of the above documents are not provided.</p>
Corporation established by or under a Central Act, which is exempt from income-tax	Nil	Self-declaration along with documentary evidence that the person is covered under section 196 of the IT Act (Annexure 3) .

Footnotes:

Table 1:

- a) 'Specified person' means a person who has:
- not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired; and

- ii. the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

Table 2: Non-resident Shareholders

Category of Shareholders	TDS Rate	Exemption Applicability / Documents required
Any non-resident shareholder [including Foreign Institutional Investors(FII), Foreign Portfolio Investors (FPI)]	20% (plus applicable surcharge and cess) or DTAA rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("DTAA").</p> <p>The Tax DTAA rate shall be applied for TDS on submission of following documents to the company:</p> <ul style="list-style-type: none"> • Self-attested 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 for the FY 2022-23 or the calendar year 2022 obtained from the tax authorities of the country of which the shareholder is resident • Self-declaration in Form 10F (Annexure 4). • Self-declaration confirming not having a Permanent Establishment in India, eligibility to DTAA benefit and do not / will not have place of effective management in India (Annexure 3).TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The rate of surcharge shall be determined considering the dividend paid in the FY 2022-23. <p>The Company is not required to apply the DTAA rates at the time of deduction/ withholding on dividend amounts. Application of DTAA rate shall depend upon the completeness of the documents (as required under the provisions of the IT Act) submitted by the non-resident shareholder.</p> <p>For shareholder who are considered as "Specified Persons" (see footnote (a) to Table 1) under Section 206AB of IT Act, higher tax rate as applicable would be deducted. For the purpose of TDS, the Company will verify the status (Specified Person or not) from the Government enabled on-line facility and</p>

Category of Shareholders	TDS Rate	Exemption Applicability / Documents required
		deduct TDS accordingly. It may be noted that as per the provision of Section 206AB of IT Act, non-resident who does not have a permanent establishment in India will not be considered as specified person.
Submitting Order under section 195(3)/197 of the IT Act	Rate provided in the Order	Lower / NIL withholding tax certificates obtained from Income Tax authorities.

Shareholders holding shares under multiple folios / demat accounts under different status / category under a 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.

The Forms as mentioned in Table 1 and 2 can be accessed and downloaded from the website of the Company at the web-link [Investor Information - Sakthi Finance Limited](#)

Please note that the documents/annexures as mentioned in the Table 1 and 2 above are required to be submitted to the Company/ Registrar at email Id **investors@sakthifinance.com** or update the same by visiting the link [Investor Information - Sakthi Finance Limited](#) on or before **21st September 2022** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction will be considered on or after 21st September 2022.

It may be further noted that in case the tax on said Dividend is deducted at a higher rate in the absence of receipt of the above details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES www.tdscpc.gov.in or the e-filing website of the Income Tax department of India <https://www.incometax.gov.in/iec/foportal>.

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/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.

We request your co-operation in this regard.

Yours faithfully
S Venkatesh
Company Secretary and
Chief Compliance Officer

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

Note: This is a system generated e-mail. Please do not reply to this e-mail.

Notice: The information contained in this e-mail message may contain confidential or privileged information. If you are not the intended recipient, any dissemination, use, review, distribution, printing or copying of the information contained in this e-mail message and/or attachments to it are strictly prohibited. If you have received this communication in error, please notify us by reply e-mail or telephone and immediately and permanently delete the message and any attachments.

Form No. 15G

[See Section 197A(1), 197A(1A) and rule 29C]

Declaration under section 197A (1) and section 197A (1) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)				
2. PAN of the Assessee ¹		3. Status ²		4. Previous year (P.Y.) ³ (for which declarations being made)
5. Residential Status ⁴		6. Flat / Door/ Block No.		7. Name of Premises
8. Road / Street / Lane		9. Area / Locality		10. Town / City / District
11. State		12. PIN		13. Email:
14. Telephone No. (with STD Code) & Mobile No.			15. (a) Whether assessed to tax under the Income - Tax Act, 1961 ⁵ Yes No (b) If yes, latest assessment year for which assessed <input type="text"/> <input type="text"/>	
16. Estimated income for which this declaration is made			17. Estimated total income of the P.Y. in which income mentioned in column 16 to be included ⁶	
18. Details of Form No. 15G other than this form filed during the previous year, if any ⁷				
Total no. of Form No. 15G filed		Aggregate amount of income for which Form No. 15G filed		
19. Details of income for which the declaration is filed				
Sl. No.	Identification number of relevant investment / account, etc. ⁸	Nature of income	Section under which tax is deductible	Amount of income

DECLARATION / VERIFICATION¹⁰

*I/We do hereby declare that to the best of *my/our knowledge and belief what is stated above is correct, complete and is truly stated.* I/We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income -tax Act, 1961.* I/We further declare that the tax * on my/our estimated total income including *income /incomes referred to in column 16 *and aggregate amount of *income /incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on relevant to the assessment year will be nil.* I/We also declare that *my/our*income /incomes referred to in column 16 *and the aggregate amount of *income /incomes referred to in column 18 for the previous year ending on relevant to the assessment year will not exceed the maximum amount which is not chargeable to income-tax

Place..... Date

Signature of the Declarant⁹

Signature of the Declarant⁹

PART II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

1. Name of the person responsible for paying SAKTHI FINANCE LIMITED		2. Unique Identification No. ¹¹		
3. PAN of the person responsible for paying AADCS0656G	4. Complete Address : SAKTHI FINANCE LIMITED, 62, Dr. Nanjappa Road, COIMBATORE - 641 018.		5. TAN of the person responsible for paying Column 1 of Part II : CMBS03160D	
6. Email :			7. Telephone with STD Code / Mobile No. : 0422 - 4236100, 200	
8. Amount of income paid : ¹²	9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid / credited	
Rs.				

Place :
Date :

Signature of the person responsible for paying the income referred to in Column 16 of Part I

*** Delete whichever is not applicable.**

1. As per provisions of section 206 AA (2), the declaration under section 197A(1) or 197A(1A) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).
2. Declaration can be furnished by an individual under section 197A(1) and a person (other than a company or a firm) under section 197A(1A)
3. The financial year to which the income pertains.
4. Please mention the residential status as per the provisions of section 6 of the Income-tax Act, 1961.
5. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.
6. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.
7. In case any declaration (s) in Form No. 15 G is Filed before filing this declaration during the previous year, mention the total number of such Form No. 15 G filed along with the aggregate amount of income for which said declarations (s) have been filed.
8. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.
9. Indicate the capacity in which the declaration is furnished on behalf of a HUF, AOP, etc.
10. ~~Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax act, 1961 and on conviction be punishable-~~
 - (i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
 - (ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.
11. The persons responsible for paying the income referred to in column 16 of part I shall allot a unique identification number to all the Form No. 15 G received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No. 15H during the same quarter, please allot separate series of serial number for Form No. 15G and Form No. 15H.
12. The person responsible for paying the income referred to in column 16 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section (1) or sub-section (1A) of section 197A or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 6 and 18.;

Form No. 15H

[See Section 197A(1), 197A(1A) and rule 29C]

Declaration under section 197A(1C), to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)				
2. PAN of the Assessee ¹		3. Date of Birth ² (DD/MM/YYYY)		4. Previous year (P.Y.) ³ (for which declarations being made)
5. Flat / Door / Block No.		6. Name of Premises		
7. Road / Street / Lane		8. Area / Locality		9. Town / City / District
10. State		11. PIN		12. Email:
13. Telephone No. (with STD Code) & Mobile No.			14. (a) Whether assessed to tax ⁴ : Yes <input type="checkbox"/> No <input type="checkbox"/> (b) If yes, latest assessment year for which assessed	
15. Estimated income for which this declaration is made			16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included ⁵	
17. Details of Form No. 15H other than this form filed during the previous year, if any ⁶				
Total no. of Form No. 15H filed		Aggregate amount of income for which Form No. 15H filed		
18. Details of income for which the declaration is filed				
Sl. No.	Identification number of relevant investment / account, etc. ⁷	Nature of income	Section under which tax is deductible	Amount of income

DECLARATION / VERIFICATION⁸

Signature of the Declarant⁹

I do hereby declare that I am resident in India with in the meaning of section 6 of the Income Tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income - tax Act., 1961.. I further declare that the tax on my estimated total income including *Income/incomes referred to in column 15* and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on relevant to the assessment year will be nil.

Place..... Date

Signature of the Declarant⁹

PART II

[To be filled by the person responsible for paying the income referred to in column 15 of Part I]

1. Name of the person responsible for paying SAKTHI FINANCE LIMITED		2. Unique Identification No. ⁹		
3. PAN of the person responsible for paying AADCS0656G	4. Complete Address : SAKTHI FINANCE LIMITED, 62, Dr. Nanjappa Road, COIMBATORE - 641 018.		5. TAN of the person responsible for paying CMBS03160D	
6. Email			7. Telephone with STD Code / Mobile No. : 0422 - 4236100, 200	
8. Amount of income paid : ¹⁰	9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid / credited	
Rs.				

Place : _____
Date : _____

Signature of the person responsible for paying the income referred to in Column 15 of Part I

***Delete whichever is not applicable.**

1. As per provisions of section 206AA (2), the declaration under section 197A(1C) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).
2. Declaration can be furnished by a resident individual who is of age of 60 years or more at any time during the previous year.
3. The financial year to which the income pertains.
4. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.
5. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.
6. In case any declaration (s) in Form No. 15 H is filed before filing this declaration during the previous year, mention the total number of such Form No. 15 H filed along with the aggregate amount of income for which said declaration(s) have been filed.
7. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.
8. Before signing the declaration /verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax act, 1961 and on conviction be punishable-
 - (i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
 - (ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.
9. The persons responsible for paying the income referred to in column 15 of part I shall allot a unique identification number to all the Form No. 15 H received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No. 15G during the same quarter, please allot separate series of serial number for Form No. 15H and Form No. 15G.
10. The person responsible for paying the income referred to in column 15 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section 197A(1C) or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax after allowing for deduction(s) under Chapter VI-A, if any, or set off of loss, if any, under the head "income from house "property" for which the declarant is eligible. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 15 and 17."

FORM NO. 10F

[See sub-rule (1) of rule 21AB]

**Information to be provided under sub-section (5) of section 90 or
sub-section (5) of section 90A of the Income-tax Act, 1961**

I. *son/daughter of Shri. in the capacity of
..... (designation) do provide the following information,
relevant to the previous year..... *in my case/in the case
of..... for the purposes of sub-section (5) of *section 90/section 90A:—

<i>Sl.No</i>	<i>Nature of information</i>	<i>:</i>	<i>Details #</i>
(i)	Status (individual, company, firm etc.) of the assessee	:	
(ii)	Permanent Account Number or Aadhaar Number of the assessee if allotted	:	
(iii)	Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others)	:	
(iv)	Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident	:	
(v)	Period for which the residential status as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A is applicable	:	
(vi)	Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable	:	

2. I have obtained a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A from the Government of (name of country or specified territory outside India)

Signature:

Name:

Address:

Permanent Account Number or Aadhaar Number

Verification

I do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the day of.....

.....
Signature of the person providing the information

Place:

Notes :

1. *Delete whichever is not applicable.
2. #Write N.A. if the relevant information forms part of the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A.

(ON THE LETTER HEAD OF SHAREHOLDER)

Date:

Issuer Name

Issuer Address

Dear Sir/Madam,

Re: Declaration provided to _____ (“**The Company**”) for claiming the tax treaty benefits for the financial year 2021-22 (ending on March 31, 2022).

Declaration

This is to confirm that,

- [NAME OF SHAREHOLDER] is a tax resident of [COUNTRY OF RESIDENCE] as per the provisions of the Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion between India and [COUNTRY OF RESIDENCE] (the “India-[COUNTRY OF RESIDENCE] DTAA”);
- [NAME OF SHAREHOLDER] will continue to maintain the ‘tax resident’ status in *his/her/its respective Country for the application of the provisions of the India-[COUNTRY OF RESIDENCE] DTAA, during the financial year 2021-22.
- [NAME OF SHAREHOLDER] is eligible to claim the benefits under the provisions of India-[COUNTRY OF RESIDENCE] DTAA;
- The claim of benefits by [NAME OF SHAREHOLDER] is not impaired in any way;
- [NAME OF THE SHAREHOLDER] is the beneficial owner of [NO OF SHARES] shares held in the Company as per Folio _____ / demat account _____ (*if shares are held under different Folio No., give separate details for all*). Further, [NAME OF THE SHAREHOLDER] is the beneficial owner of dividend receivable from the Company in relation to aforementioned shares;
- [NAME OF THE SHAREHOLDER] does not have any taxable presence, fixed base or permanent establishment in India as per the provisions of the India- [COUNTRY OF RESIDENCE] DTAA during the Financial Year 2021-22; and
- [NAME OF THE SHAREHOLDER] is the holder/ not the holder of (~~strikethrough whichever is not applicable~~) PAN allotted by the Income Tax Authorities in India.

- NAME OF THE SHAREHOLDER] will immediately inform the Company if there is a change in the status.

*I/We hereby confirm that the declarations made above are complete, true and bona fide. This declaration is issued to the Company to enable them to decide upon the withholding tax applicable on the dividend income receivable by [NAME OF SHAREHOLDER].

Yours faithfully,

For [NAME OF SHAREHOLDER]

Authorized Signatory [Name/designation]

Email address: [Please insert]

Contact Number: [Please insert]

Contact address: [Please insert]