



## Sundram Fasteners Limited

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November 8, 2023

**National Stock Exchange of India Limited**

*Scrip Code - SUNDRMFAST*

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block, Bandra-Kurla Complex  
Bandra (East)  
Mumbai - 400 051

By NEAPS

**BSE Limited**

*Scrip Code - 500403*

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

By Listing Centre

Dear Sir / Madam,

**Communication to Shareholders – Deduction of Tax at Source on dividend under relevant sections of the Income Tax Act, 1961 –Interim Dividend for the Financial Year ending 2023 – 2024**

Pursuant to the Finance Act, 2020 with effect from April 01, 2020, the Dividend Distribution Tax is abolished and dividend income is taxable in the hands of the Shareholders.

In this regard, please find attached a communication which has been sent to all the shareholders on **November 7, 2023 (Tuesday)**, explaining the process on withholding tax from dividend paid to the Shareholders at prescribed rates.

We request you to kindly take the above information on record.

Thanking you,

Yours truly,

For SUNDRAM FASTENERS LIMITED

**G Anand Babu**

Senior Manager - Finance & Company secretary



## Sundram Fasteners Limited

CIN: L35999TN1962PLC004943

Registered Office: 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004

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**Dear Shareholder**

**DPID-CLID/Folio No. :**

We wish to inform you that the Board of Directors at their meeting held on November 3, 2023 has approved payment of *interim* dividend @ **Rs 2.68** per share of Re 1/- each for the financial year ending March 31, 2024.

The Interim Dividend approved by the Board of Directors will be paid on **December 1, 2023** to those members whose names appear:

- a. As members on the Register of Members of the Company as on **November 16, 2023** after giving effect to all valid transmission or transposition requests lodged with the Company for the shares held in physical form up to the closing hours of business on **November 16, 2023**.
- b. As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on **November 16, 2023**.

As you may be aware, as per the Income-tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders exceeding Rs 5000/- (Rupees Five Thousand). The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the Interim Dividend will be paid after deducting TDS as explained herein.

### **SECTION A: FOR ALL SHAREHOLDERS - UPDATION OF DETAILS, AS APPLICABLE**

It may be noted that in case you had already registered the following details with the Company/RTA, the details as available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Company/RTA, for the purpose of complying with the applicable TDS provisions:

- i. Valid Permanent Account Number (PAN).
- ii. Residential status as per the Act i.e. Resident or Non-Resident for FY 2022-23.
- iii. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, etc.
- iv. Email Address.
- v. Residential Address

In case, you wish to update the above-mentioned details, you are requested to submit the details by using the following link and by uploading documents by e-signing it.

**[https://www.integratedindia.in/KYCRegistration/KYC\\_EmailMobileRegistration.aspx](https://www.integratedindia.in/KYCRegistration/KYC_EmailMobileRegistration.aspx)**

**SECTION B: TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDERS**

Shareholders are requested to take note of the TDS rates and document(s), if any, required to be submitted to the Company by **November 20, 2023 (Monday)** for their respective category, in order to comply with the applicable TDS provisions.

**I. FOR RESIDENT SHAREHOLDERS:**

<b>Category of shareholders</b>	<b>Exemption applicability/Documentation requirement</b>
Mutual Funds	No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
Insurance Companies	No TDS is required to be deducted as per Section 194 of the Act, subject to specified conditions. Self-attested copy of valid IRDAI registration certificate and a Self-declaration that it has full beneficial interest with respect to shares owned needs to be submitted.
Category I and II Alternative Investment Fund	No TDS is required to be deducted as per Section 197A (1F) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate and a declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations needs to be submitted.
Recognized Provident Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 needs to be submitted.
Approved Superannuation Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid approval granted by the Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
Approved Gratuity Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid approval granted by the Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.
National Pension Scheme	No TDS is required to be deducted as per Section 197A (1E) of the Act.
Government (Central/State)	No TDS is required to be deducted as per Section 196(i) of the Act.
Any other entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted.
Other resident shareholder	<ul style="list-style-type: none"> <li>a. TDS is required to be deducted at the rate of 10% with effect from April 1, 2021 under Section 194 of the Act.</li> <li>b. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to an individual shareholder does not exceed Rs. 5000/-.</li> <li>c. No TDS is required to be deducted on furnishing of valid Form 15G (for individuals below the age of 60 years, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individuals above the age of 60 years with no tax liability on the total income).</li> <li>d. TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the shareholder is not available.</li> <li>e. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.</li> </ul>

## II. FOR NON – RESIDENT SHAREHOLDERS:

Category of shareholders	Exemption Applicability/Documentation requirement
Any entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted.
FPI, FII and Other non-resident shareholder	<p>a. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 of the Act.</p> <p>b. Further, as per Section 90 of the Act the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty 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 Tax Treaty benefits, the non-resident shareholders will have to provide the following:</p> <p>i. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;</p> <p>ii. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;</p> <p>iii. Self-declaration in Form 10F e-filed in the Income Tax portal along with the acknowledgement for e-filing; and</p> <p>iv. Self-declaration certifying:</p> <ul style="list-style-type: none"><li>The shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2023-24;</li><li>The shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;</li><li>The shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;</li><li>The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and</li><li>The shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2023-24.</li></ul> <p>c. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under Section 197 of the Act, if such certificate is provided.</p>

## III. Notes:

- All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
- For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being uploaded by the Shareholder, the Shareholder undertakes to send the original document(s) on request by the Company.
- Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
- We shall arrange to email the soft copy of the TDS certificate at your registered email ID in due course, post payment of the dividend.

5. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
6. 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.
7. **Benefit under Rule 37BA:** In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person. In case where shares are held by Clearing Members / Intermediaries / Stockbrokers, and TDS is to be applied by the Company in the PAN of the beneficial Shareholders then intermediaries / stockbrokers or others and the beneficial Shareholders will have to provide a declaration. Format of declaration is available in the link provided below. This declaration should be submitted through the link provided below, within 4 days from the record date to the RTA. Kindly note that no declaration shall be accepted after Monday, November 20, 2023.
8. **TDS to be deducted at higher rate in case of non-filers of Income Tax Return**

"As per the provisions under Income Tax Act, 1961, a specified<sup>1</sup> person shall be levied a higher TDS rate w.e.f. 1st July, 2021.

This Section requires the TDS to be deducted at higher of the following rates for not complying with the above provision.

- a. At twice the rate specified in the relevant provision of the Act; or
- b. At twice the rate or rates in force; or
- c. At the rate of 5%

In view of the above, Income Tax Department has facilitated a new functionality "Compliance Check for Section 206AB & 206CCA" to facilitate tax deductors / collectors to verify if a person is a "Specified Person" as per section 206AB & 206CCA. The Company will do a Compliance Check using your PAN and deduct tax at higher rate if it is found that the above provisions are not complied with".

<sup>1</sup>"Specified person" as defined u/s 206AB (3) is someone who has:

(a) not filed income tax return for previous year 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 Act has expired; and

(b) The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in that previous year.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a "specified person".

Kindly note that the aforementioned documents (Form 15G, Form 15H, Form 10F and self-declaration) are required to be submitted using the link provided below:

**<https://www.integratedindia.in/ExemptionFormSubmission.aspx>**

These documents, valid in all respects, should be submitted **on or before November 20, 2023 (Monday)** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

Shareholders are requested to complete necessary formalities with regard to linking core banking details to their demat accounts for enabling the Company to make timely credit of dividend in the respective bank accounts.

We may draw your attention to Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/CIR/2021/687 dated December 14, 2021 issued by SEBI. SEBI vide these Circulars have mandated the furnishing of PAN of all the holders, Address with PIN code, Email address, Mobile No., Bank Account details of the first holder, Specimen Signature and Nomination by holders of physical securities and that **"from January 1, 2022, any service requests or complaints received from the holder(s)/claimant(s) are not being processed by RTA, till PAN, KYC and Nomination documents/details are received"**.

The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 as well as the SEBI circulars are available on the website at [https://www.integratedindia.in/Corporate\\_Container.aspx](https://www.integratedindia.in/Corporate_Container.aspx) - RTI/STA - Forms Download.

If you are holding shares in Demat form you are requested to get your KYC details updated with your Depository Participant.

Your co-operation in this regard is solicited.

For SUNDRAM FASTENERS LIMITED

Sd/-

**G Anand Babu**

Senior Manager – Finance & Company Secretary