



SARLA PERFORMANCE FIBERS LIMITED

[CIN: L31909DN1993PLC000056]

Registered Office: Survey No. 59/1/4, Amla Piparia Industrial Estate, Silvassa, Union Territory of Dadra & Nagar Haveli - 396230, India,

Tel: 0260 - 3290467, **Fax:** 0260 - 2631356,

Email: investors@sarlafibers.com **Website:** www.sarlafibers.com

Communication to Shareholders - Communication on Tax Deduction at Source (TDS) on dividend

Date: September 12, 2022

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

Dear Shareholder,

We hope that you and your family are doing well and are safe and healthy.

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on May 25, 2022 has approved the payment of Final Dividend for FY 2021-22 of Rs. 2/- (Rupees Two Only) per equity share (i.e. 200%) of the face value of Re. 1/- each, subject to approval of shareholders in the ensuing 29th Annual General Meeting of the Company to be held on **Wednesday, September 28, 2022 at 01.00 p.m. (IST)** through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM').

As you may be aware, the Finance Act, 2020 has abolished the Dividend Distribution Tax (DDT) and has introduced the system of dividend taxation in the hands of the shareholders with effect from **April 01, 2020**. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its shareholders (resident as well as non-resident).

The TDS rate may vary depending on the residential status and slab rates applicable to the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS 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/ Documents required
Any resident shareholder	10%	Update the PAN if not already done with depositories (in case of shares held in demat

		<p>mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode).</p> <ul style="list-style-type: none"> • No deduction of taxes in the following cases - If dividend income to a resident Individual shareholder during the financial year 2022-23 does not exceed INR 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. • W.e.f. July 01, 2021, Section 206AB implications needs consideration.
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholders 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.
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	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate.
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 person is covered under Section 196 of the Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under Section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated June 25, 2015 .
Other resident shareholder without PAN/Invalid PAN	20%	

Please Note that:

- a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- b) 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/ Documents required
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<ul style="list-style-type: none"> • 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. • 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, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India. (format attached herewith). • TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the abovementioned documents are not provided. • A declaration to mention that it is beneficial owner of dividend. • 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.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI), GDR Holders	20% (plus applicable surcharge and cess)	For FII's – as per Section 196D, treaty benefit is now available as per Finance Act, 2021. As per Section 115AC for GDR, rate is 10% w.e.f. July 01, 2021
Submitting Order under Section 195(3)/197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Please Note that:

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.

[Click here to view / Download Form 15G/15H/10F and Self -Declaration form: https://www.linkintime.co.in/client-downloads.html](https://www.linkintime.co.in/client-downloads.html)

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be updated by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> and submitted to the Company at email ID investors@sarlafibers.com on or before **Wednesday, September 21, 2022** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Kindly note that the File size to be submitted should not exceed 2 MB.

Documents received by Post, Courier or from registered Email ID will only be accepted. In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

No claim shall lie against the Company for such taxes deducted.

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>.

To view / download Form 15G [click here](#)

To view / download Form 15H [click here](#)

To view / download Form 10F [click here](#)

To view / download Self-Declaration form [click here](#)

Update of Bank account details:

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 you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

We request your co-operation in this regard.

Yours faithfully,

For Sarla Performance Fibers Limited

Sd/-

Neha Somani

Company Secretary & Compliance Officer