SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/NSDL-CDSL/2020-21 **November 04, 2020**

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sir/Madam,

Sub: Communication to Shareholders - Deduction of tax at source on dividend under relevant sections of the Income-tax Act, 1961 – Interim Dividend 2020-21

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

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories explaining the process on withholding tax from dividend paid to the shareholders at prescribed rates along with the necessary annexures.

We request you to kindly take the below mentioned information on record.

Regards,

For **SHRIRAM TRANSPORT FINANCE COMPANY LTD**

VIVEK M. ACHWAL
COMPANY SECRETARY
Encl.:a/a.

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED
CIN : L65191TN1979PLC007874
Registered Office: 14 A South Phase, Industrial Estate, Guindy, Chennai - 600 032.
Corporate Office: "Wockhardt Towers", 3rd Floor, West Wing, C-2, G-Block,Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Tel No: +91 22 4095 9595 Fax: +91 22 4095 9597

Date: November 3,2020

Ref: Folio/ DPID & Client id No.:_____
Name of the Shareholder: _____

Dear Shareholder,

Subject: Deduction of tax at source on dividend under relevant sections of the Income-tax Act, 1961 – Interim Dividend 2020-21

First and foremost, we wish you and your family good health and hope you are safe and fine.

We are glad to inform you that the Board of Directors at its meeting held on October 29, 2020 has approved and declared an Interim Dividend of ₹ 6/- per Equity Share of face value of ₹10/- each for the Financial Year ('FY') ended March 31, 2021.

The dividend will be paid on or after November 26, 2020, to those members whose names appear:

a. As members on the Register of Members of the Company as on November 10, 2020 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 10, 2020.

b. As beneficial owners as per the list to be furnished by NSDL/ CDSL as at the closing hours of business on November 10, 2020.

SHRIRAM TRANSPORT FINANCE CO. LTD.

As you may be aware, as per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or 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 at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government.

The TDS rate would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Accordingly, the Interim Dividend will be paid after deducting TDS as explained herein.

SECTION A: FOR ALL SHAREHOLDERS – UPDATION OF DETAILS [AS APPLICABLE]

All Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their respective DEMAT account(s) maintained with the Depository participant(s) for equity shares held in demat mode; or in case of equity shares held in physical form, with the Company/ Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited ('RTA'), On or before November 10,2020.

Please note that the following details, in case you had already registered with the Company/ RTA, 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:

a. Valid Permanent Account Number ('PAN')
b. Residential status as per the Act i.e. Resident or Non-resident for FY 2020-21
c. Category of Shareholder viz. Mutual Fund, Insurance Company, Alternative 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.
d. Email address
e. Residential address



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

TDS rates for various categories of Shareholders along with the required documents are provided in the table below. Shareholders are requested to take note of the TDS rates and documents, if any, required to be submitted to the Company for their respective category, in order to comply with the applicable TDS provisions.

I. For Resident Shareholders

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement

Any resident shareholder	7.50%	• Update the PAN if not already done with depositories (in case of shares held in DEMAT mode) and with the Company's RTA (in case of shares held in physical mode)
		• No taxes will be deducted in the following cases:
		  ◦ If dividend income to the resident individual shareholder during FY 2020-21 does not exceed ₹ 5,000 and it is paid by any mode other than cash
		  ◦ If the Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same
		  ◦ Furnishing of valid **Form 15G** (for individuals, 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)

Resident shareholder without PAN/ with Invalid PAN	20%	
Resident shareholder having Order under section 197 of the Act	Rate provided in the Order	• Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities



Mutual Funds specified under clause (23D) of section 10 of the Act	Nil	• Declaration that it is a Mutual Fund specified under section 10(23D) of the Act and accordingly, is covered under section 196 of the Act • Self-attested copy of PAN and valid SEBI registration certificate or notification **For download of documents, Shareholders are requested to verify the link: https://www.integratedindia.in/ExemptionFormSubmission.aspx –> Select Company "Shriram Transport Finance Company Limited" and click OK –> Download "Annexures – Shriram Transport Finance Company Limited – Interim Dividend 2020-21"**
Insurance Companies	Nil	• The Life Insurance Corporation of India, the General Insurance Corporation of India, the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Insurance Company Limited and the United India Insurance Company Limited, a declaration that it has full beneficial interest in the shares • In case of any other insurer, • Self-attested copy of PAN, registration certificate and a declaration that it has full beneficial interest in the shares **For download of documents, Shareholders are requested to verify the link: https://www.integratedindia.in/ExemptionFormSubmission.aspx –> Select Company "Shriram Transport Finance Company Limited" and Click OK –> Download "Annexures – Shriram Transport Finance Company Limited – Interim Dividend 2020-21"**



Category I and II AIF	Nil	• Declaration that income of the AIF is exempt under section 10(23FBA) of the Act as it has been granted a certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012 • Self-attested copy of PAN and valid SEBI registration certificate **For download of documents, Shareholders are requested to verify the link: https://www.integratedindia.in/ExemptionFormSubmission.aspx –> Select Company "Shriram Transport Finance Company Limited" and Click OK –> Download "Annexures – Shriram Transport Finance Company Limited – Interim Dividend 2020-21"**
Recognised Provident Fund	Nil	• Reference is drawn to Circular No. 18/2017 dated 29 May 2017 issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Act • Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of the 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 Act, 1952
Approved Superannuation Fund	Nil	• Reference is drawn to Circular No. 18/2017 dated 29 May 2017 issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Act • Self-attested copy of valid approval granted by the Commissioner under Rule 2 of Part B of the Fourth Schedule to the Act



Approved Gratuity Fund	Nil	• Reference is drawn to Circular No. 18/2017 dated 29 May 2017 issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Act • Self-attested copy of valid approval granted by the Commissioner under Rule 2 of Part C of the Fourth Schedule to the Act
National Pension Scheme	Nil	
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	• Declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income and accordingly, covered under section 196 of the Act • Self-attested copy of PAN, registration certificate and relevant extract of the section whereby the income is exempt from tax **For download of documents, Shareholders are requested to verify the link : https://www.integratedindia.in/ExemptionFormSubmission.aspx –> Select Company "Shriram Transport Finance Company Limited" and Click OK–> Download "Annexures – Shriram Transport Finance Company Limited – Interim Dividend 2020-21"**
Government (Central/ State)/ RBI	Nil	
Any other entity entitled to exemption from TDS	Nil	• Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption



II. For Non-Resident Shareholders

Category of Shareholders	Tax Deduction Rate	Exemption Applicability/ Documentation Requirement
FPIs and FIIs	20% (plus appliable surcharge and cess)	Self-attested copy of certificate of registration accorded under the relevant regulations of the SEBI
Other non-resident shareholders	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower	• Non-resident shareholders may opt for tax rate under the Double Taxation Avoidance Agreement ('Tax Treaty'). The Tax Treaty rate may be applied for tax deduction at source on submission of the following documents to the Company: • Self-attested copy of the PAN allotted by the Indian Income-tax authorities • Self-attested copy of Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident •Self-declaration in Form 10F •Self-declaration certifying that: o The shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2020-21; o The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company; o The transaction/ arrangement/ investments from which the dividend is derived by the shareholder is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such transaction/arrangement /investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty); o The shareholder has no reason to believe that its claim for the benefits of the Tax Treaty is impaired in any manner; o The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and o The shareholder does not have a taxable presence or a permanent establishment in India during the FY 2020-21 **For download of documents, Shareholders are requested to verify the link: https://www.integratedindia.in/ExemptionFormSubmission.aspx –> Select Company "Shriram Transport Finance Company Limited" and Click OK –> Download "Annexures – Shriram Transport Finance Company Limited – Interim Dividend 2020-21"**



		• TDS shall be deducted at source @ 20% (plus applicable surcharge and cess) if the above-mentioned documents are not provided • The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts, if the completeness of all the documents submitted by the non-resident shareholder is not to the satisfaction of the Company, including not in accordance with the provisions of the Act • Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to FIIs and FPIs under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower rate under the applicable Tax Treaty. The FII/ FPI may file return of income and claim refund of taxes so deducted on account of the application of the concerned Tax Treaty
Any entity entitled to exemption from TDS	Nil	• Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by the Indian tax authorities) in support of the entity being entitled to exemption from TDS
Tax resident of any notified jurisdictional area	30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus applicable surcharge and cess)	• Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under section 94A(1) of the Act, tax will be deducted at source @ 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act
Other non-resident shareholders having Order under section 197 of the Act	Rate provided in the Order	• Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities

Notes:

1. In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for TDS in Form 16A. The credit of TDS can also be verified by the Shareholder by verifying Form 26AS, after the statement of TDS is furnished by the Company and thereafter Annual Information Statement (Form 26AS) is updated.
2. All the above referred tax rates will be enhanced by surcharge and cess, as applicable.



3. 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.
4. In case of any further dividend which is paid in FY 2020-21 and considering the amount of dividend payments made earlier, if the aggregate dividend pay-out exceeds Rs. 5,000, then from the subsequent payment of dividend, the tax on the current as well as on future amount of dividend will be deducted and accordingly, the balance amount of dividend will be paid to the concerned Individual Shareholder.
5. 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 are held under a PAN will be considered on their entire holding in different accounts.
6. Needless to mention, PAN will be mandatorily required. In absence of PAN/ valid PAN, tax will be deducted at a higher rate of 20% as per section 206AA of the Act.
7. In case, 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.
8. 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.
9. We shall arrange to email the soft copy of the TDS certificate at your registered email id in due course, post payment of dividend.
10. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, the concerned Shareholder would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return. No claim shall lie against the Company for such taxes deducted.
11. 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.



Kindly note that the aforementioned documents 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 13th November 2020 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax determination/ deduction shall be entertained post 13th November 2020 Decision of the Company with respect to the validity of any document will be final.

Shareholders are requested to update their bank account in their Demat accounts / Folio, by contacting the DP or RTA of the Company.

Your co-operation in this regard is solicited.

Thanking You.

Yours faithfully
For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**
Sd/-
VIVEK ACHWAL
COMPANY SECRETARY



Address of our Registrar and Transfer Agents :
Integrated Registry Management Services Private Limited,
2nd Floor, "Kences Towers"
No.1 Ramakrishna Street,
North Usman Road
T Nagar, Chennai - 600 017
E-mail : csdstd@integratedindia.in

Please do not reply to the email ID clientservice@integratedindia.in as the same is not being monitored.

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