

South West Pinnacle

ISO 9001: 2015 Certified Company

South West Pinnacle Exploration Ltd
(Formerly known as South West Pinnacle Exploration Pvt Ltd)
CIN NO.: L13203HR2006PLC049480
Regd & Corp Office:
Ground Floor, Plot No.15,
Sector-44, Gurgaon 122003, Haryana, India.
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Date: 24.08.2023

To,

The Manager
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Symbol: SOUTHWEST

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Communication to Shareholders on deduction of tax at source (TDS) on dividend for FY 2022-23

Dear Sir/Madam,

In terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, with effect from April 01, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. In this regard, please find enclosed herewith a copy of the communication regarding deduction of tax at source on dividend which has been sent on August 24, 2023 to the shareholders whose email ID's are registered with the Company/Depositories.

This communication is also available on the website of the Company at www.southwestpinnacle.com

This is for your information and record.

Thanking you,

For South West Pinnacle Exploration Limited

Vaishali
Company Secretary & Compliance Officer

South West Pinnacle

South West Pinnacle Exploration Limited

Regd. & Corp Office: Ground Floor, Plot No.15, Sector-44, Gurugram-122003

CIN: L13203HR2006PLC049480; Phone: +91 124 4235400

Email: investors@southwestpinnacle.com; Website: www.southwestpinnacle.com

Communication to Shareholder for deduction of tax at source on Final Dividend for FY 2022-23 under Income Tax Act 1961 (The Act)

The Board of Directors of the Company at its Meeting held on May 28, 2023 has recommended a Final dividend of Rs. 0.50 per equity share having Face Value of Rs. 10 each for the financial year ended March 31, 2023 to non promoters' shareholders of the company.

The dividend as recommended by the board, if approved at the ensuing Annual General Meeting, will be paid to the shareholders holding equity shares of the Company, either in electronic or in physical form on the record date (to be announced in due course).

The dividend will be paid electronically in the Members bank accounts and the Company may retain dividend warrants of members who have not registered their bank details and dividend warrants/demand drafts/cheques will be sent to the registered addresses depending on availability of postal services.

Accordingly, the Shareholders holding Shares in Demat Form are requested to complete necessary formalities with regard to their bank account 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 bank details with their Depository Participant (*as 100% shareholding of company is in demat form*).

All the shareholders are also requested to ensure that their details with reference to valid Permanent Account Number, Resident status as per Act, i.e Resident or Non- Resident as applicable, Category of their account as per the PAN, E-mail-ID/Postal address, Bank Account details are complete/updated, as applicable, in their account maintained with Depository Participant.

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, the final dividend for the Financial Year 2022-23 to be paid and distributed by the Company is taxable in the hands of its Shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. Accordingly, the above referred final dividend will be paid after deducting the tax at source including applicable surcharge and cess as notified from time to time under the Act

No tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during Financial year ('FY') 2023-24, does not exceed INR 5,000/-.

The detailed communication summaries the applicable TDS provisions in accordance with the provisions of the Income tax Act, 1961, for various categories, including Resident or Non-Resident members as below:-

1) For Resident Members:

Category of Shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any Resident Shareholder	10%	No deduction of taxes in the following cases- <ul style="list-style-type: none"> • If dividend income to a resident Individual shareholder during FY 2023-24 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. • Submitting declaration in Form No. 15G (applicable to any person other than a company or a firm) /Form 15H (applicable to an Individual who is 60 years and older), fulfilling all the required eligibility conditions.
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and PAN card along with self-declaration that the mutual funds are notified mutual fund u/s 10(23D)(ii) of Income Tax Act, 1961.
Insurance Companies (Public & other Insurance companies)	NIL	Documentary evidence that the provisions of Section 194 of the Income Tax Act, 1961 are not applicable along with self- attested copy of PAN card.
Recognized Provident Funds, Approved Superannuation Gratuity Fund	NIL	i. A Declaration that their TDS is not required to be deducted as per circular No.18/2017 issued by CBDT ii. Attested copies of registration documents and PAN
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 Corporation is covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN card.
National Pension Scheme	NIL	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 ii. Attested copies of registration documents and PAN
Alternative Investment Fund Category- I & II	NIL	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. Self-attested copy

		of registration documents and PAN card should be provided.
Order u/s 197 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] which is required for applying for Lower / NIL Rate.
Other resident shareholder without PAN/Invalid PAN /Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income Tax department (refer detailed note on Section 206AB below)	20%	Shareholders should update the PAN if not already done with Depositories.

2) For Non Resident Members:

Category of Shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder / Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI)	195/196D	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>i Non-resident shareholders / FFI / FPI 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:</p> <p>i. Copy of the PAN Card, if any, allotted by the Indian authorities.</p> <p>ii. Self-attested copy of Tax Residency Certificate (TRC) valid as on the record date obtained from the tax authorities of the country of which the shareholder is resident.</p> <p>iii. Self-declaration in Form 10F.</p> <p>iv. Self-declaration from Non-residential, primarily covering the following:</p> <ul style="list-style-type: none"> ➤ Non-resident is eligible to claim the benefit of respective tax treaty. ➤ Non-resident receiving the dividend income is the

			<p>beneficial owner of such income.</p> <p>➤ Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.</p> <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided / found not to be valid.</p> <p>The Company is not obligated to automatically 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 and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.</p>
Sovereign Wealth Fund, Pension Funds, Other bodies notified under Section 10(23FE) of the Act	10(23FE)	NIL	Self- Declaration substantiating the fulfillment of conditions prescribed under Section 10(23FE) of the Act.
Submitting Order under section 197 of the Act.	197	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>
Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income-tax department (refer detailed note on Section 206AB below)	206AB	Twice the rate specified in the relevant provision of the Act; or Twice the rate or rates in force whichever is higher	Non-resident shareholder may file a declaration confirming that they do not have any fixed place of business in India.

Section 206AB of the Income Tax Act, 1961:

The rate of TDS under Section(s) 194, 195 & 196D of the Income Tax Act, 1961 (hereinafter referred to as the 'Act') are subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduced special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as specified persons). As per the provisions of Section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons: -

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA (Non-PAN) and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

"Specified person" as defined u/s 206AB (3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for two previous years 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
- The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in each of these two previous years.

Non-Resident shareholders who do not have permanent establishment in India (i.e. fixed place of business of India) are excluded from the scope of a "specified person".

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhaar linking.

Declaration under Rule 37BA

In terms of Rule 37BA of the Income Tax Rules, 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

Notes:

- For Permanent Registration of E-mail for Demat shareholders (as 100% shareholding of company in demat form):
It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

For Temporary Registration E-mail for Demat shareholders: -

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id and also upload the image of CML,PAN, Aadhar Card & Form ISR-1 in PDF or JPEG format (upto 1 MB).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

- ii. The aforesaid documents such as Form 10F/15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before September 15, 2023 to enable the Company to determine the appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. Any communication in relation to tax rate determination/deduction received post September 15, 2023 shall not be considered.
- iii. After receipt of any of the above declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
- iv. In due compliance of the applicable provisions of the Act, the Company will be issuing certificate for tax deducted at source in Form 16A. The credit for tax deducted at source can also be verified by the Shareholder by verifying Form 26AS, after the statement of tax deducted at source is furnished by the Company and thereafter Annual Information Statement (Form 26AS) is updated.
- v. In case of any further dividend which is paid in the FY 2023-24 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 earlier amount of dividend will be deducted and accordingly, the balance amount of dividend will be paid to the concerned Individual Shareholder.
- vi. Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form as on the Record Date, and other documents available with the Company / RTA. In this respect, the company reserves the right to independently verify the PAN number of the shareholder from the National Securities Depository Ltd. ('NSDL') utility and if the same is found contrary to the PAN quoted/ provided, the company will disregard the PAN and proceed as per the prevalent law.
- vii. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
- viii. The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
- ix. In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.

- x. 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 even if the amount of dividend payable on the shares is Rs. 5,000 or less.**
- xi. 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, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
- xii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
- xiii. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
- xiv. All queries in respect of above should be addressed to our RTA, Link Intime India Private Limited at its email address rnt.helpdesk@linkintime.co.in or investors@southwestpinnacle.com Please note that the Company will not accept any declaration/document on any email address. Kindly use the link as provided in note (iii) to upload declaration/documents.

Thanking You.
Yours faithfully,

For South West Pinnacle Exploration Limited

**Sd/-
Vaishali
Company Secretary & Compliance Officer**

(1) Form 15H

[From 15H Download Here](#)

(2) From 15G

[From 15G Download Here](#)

(3) From 10F

[From 10F Download Here](#)

Disclaimer: The information set out hereinabove is included for general information purpose only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.