



July 16, 2024

The BSE Limited Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400001 Scrip Code: 543942, 958095, 959644, 968226, 975790	National Stock Exchange of India Limited 5th Floor, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 NSE symbol: UTKARSHBNK
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Dear Sir/Madam,

Sub: Intimation on Dividend for Financial Year 2023 - 24, Tax at Source (TDS) and submission of exemption forms

We wish to inform that the Bank has sent a communication to the all the members who have registered their E-mail address with the Bank / Registrar and Transfer Agent of the Bank i.e. Kfin Technologies Limited (RTA / Kfin) relating to Dividend for Financial Year 2023 - 24, Tax at Source (TDS) and submission of exemption forms.

In accordance with the said communication, members are requested to note that the requisite documents can be uploaded on the link <https://ris.kfintech.com/form15/> on or before Sunday, July 21, 2024. Any communication received after the above-mentioned cut-off date will not be considered, for deduction of applicable tax.

This is for your information and records.

For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer
ICSI Membership No: F5674

Enclosed as above



Utkarsh Small Finance Bank

Aapki Ummeed Ka Khaata

CIN: U65992UP2016PLC082804

(The Bank is yet to receive approval from the Registrar of Companies for the change of CIN)

Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua,

Varanasi, Uttar Pradesh, PIN - 221105

Tel No +91-542-6605555 | Website: www.utkarsh.bank | Email: Shareholders@utkarsh.bank

Subject : Intimation on Dividend for Financial Year 2023 - 24, Tax at Source (TDS) and submission of exemption forms

We wish to inform you that the Board of Directors of Utkarsh Small Finance Bank Limited (Bank) at its Meeting held on April 26, 2024 has recommended a final dividend of Rs.0.50 per Equity Share having Face Value Rs.10/- each for the financial year ended March 31, 2024 subject to shareholder's approval at the ensuing Annual General Meeting.

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting of the Bank to be held on Monday July 22 2024, will be payable to those shareholders whose name appear in the Register of Members of the Bank or in the records of the Depositories as beneficial owners of the shares as on the record date i.e. Friday, July 12, 2024.

Pursuant to the SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, it is mandatory to furnish PAN, KYC Details (including email, mobile number, and bank account details) and Nomination. Kindly ensure these details are updated.

For registering the Bank account details / Mobile Number / Email ID / PAN/Nomination, request you to contact your respective depository participant and update the KYC & Bank a/c details in your demat account.

In accordance with the provisions of the Income Tax Act, 1961 ("the Act"), as amended by and read with provisions of the Finance Act, 2020, the dividends declared and paid by a Bank are taxable in the hands of the shareholders. Therefore, the Bank is required to deduct Tax at Source (TDS) on the distribution of dividend income at applicable rates. The TDS rate may vary depending upon the availability of valid PAN, residential status, category of shareholder, etc. and is subject to provision of requisite documents / declarations received by the Bank. Please note that these details as available on record date in the Register of Members will be relied upon by the Bank, for the purpose of complying with the applicable TDS / withholding tax provisions. The rate of TDS / withholding tax provisions, applicability of exemption (if any) along with documents required for various categories of shareholders are enumerated below -

A. Resident Shareholders:

Sl No	Particulars	Tax Rate	Documents Required
1	Valid PAN registered with RTA / Depository Participant	10%	Shareholders can update valid PAN/ Email ID / Mobile Number with RTA / Depository Participant by submitting duly filled ISR forms along with copy of PAN and other requisite documents / before the record date so that TDS will be deducted at 10% (wherever applicable). Note: a) No deduction of tax would be made if the total dividend income paid to a resident individual member during F.Y. 2024-25 does not exceed Rs. 5,000/-
2	Without / Invalid PAN with RTA / Depository Participant or Aadhaar and PAN not linked - Inoperative PAN.	20%	

			b) Partial modification of Circular No.3 of 2023 dated 28.03.2023 issued by Board, hereby specifies that for the transactions entered into upto 31.03.2024 and in case where PAN becomes operative (as a result of linkage with Aadhaar) on or before 31.05.24 there shall be no liability on the deductor to deduct tax u/s 206AA/206CC, as the case may be and the deduction as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the IT Act	Rate as specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> • Self-attested copy of PAN card • Copy of lower /nil withholding tax certificate obtained from Income Tax Department valid for FY 2024-25, covering dividend income from the Bank.
4	An Individual furnishing Form 15G/ 15H	Nil	<ul style="list-style-type: none"> • Self-attested copy of PAN card • Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form No. 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions. • This form can be submitted only in case the shareholder's tax on estimated total income for FY 2024-25 is Nil
5	Shareholders to whom section 194 of the IT Act does not apply. (Insurance Companies registered under IRDA)	NIL	<ul style="list-style-type: none"> • Self-attested copy of PAN card • Self-declaration in the specified format, along with the registration certificate substantiating non-applicability of section 194 of the IT Act.
6	Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	NIL	<ul style="list-style-type: none"> • Self-attested copy of PAN card • Self-declaration in the specified format, along with the registration certificate substantiating applicability of section 196 of the IT Act.
7	Corporation established by or under a Central Act /State Act which is, under any law for the time being in force, exempt from Income Tax on its income including entities in which such corporations are beneficial shareholders	NIL	<ul style="list-style-type: none"> • Documentary evidence that the person is covered under section 196 of the ACT along with self-declaration given in the specified format
8	Category I and II Alternative Investment Fund (AIF) Category III AIF	NIL	<ul style="list-style-type: none"> • Self-attested copy of PAN card • Self-declaration in the specified format that the person is covered by Notification No. 51/2015 dated 25th June 2015 and established as Category I or Category II AIF under the SEBI regulations along with registration certificate issued by SEBI. • This rate will be applicable for Category III AIF
9	New Pension System Trust	NIL	<ul style="list-style-type: none"> • Self-attested Documentary evidence (eg., relevant copy of registration, notification, order, etc.) that the Trust is established in India and are the beneficial owner of the share/shares held in the Bank and income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card and Self-declaration given in specified format.

10	Entities exempt under Section 10 of the Act	NIL	<ul style="list-style-type: none"> Entities whose income is unconditionally exempt under Section 10 of the Income-tax Act and who are also statutorily not required to file return of income as per Section 139 of the Act, the authorized signatory shall submit the declaration given in the specified format duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in Circular No.18 of 2017) Documentary evidence that the person is covered by Circular No. 18/2017 dated May 29, 2017.
11	Recognized Provident funds/ Approved Superannuation fund/ Approved Gratuity Fund	NIL	<ul style="list-style-type: none"> Entities whose income is unconditionally exempt under Self-attested copy of valid approval granted by the Commissioner needs to be submitted: <ul style="list-style-type: none"> a. under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b. under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in the specified format. Documentary evidence that the person is covered by Circular No. 18/2017 dated May 12, 2017.
12	Any other entity exempt from withholding tax under the provisions of section 197A of the IT Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	NIL	<ul style="list-style-type: none"> Self-attested copy of PAN card Self-declaration in the specified format that the person is covered under the provisions of section 197A of the IT Act (except for individual Sikkimese resident) Submit declaration in the specified format in case of individual Sikkimese resident. Adequate documentary evidence, substantiating the type of the entity. Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

B. Non-Resident Shareholders:

Sl No	Category	Withholding tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is lower	<ul style="list-style-type: none"> Self-attested copy of PAN card (if available) Self-declaration as per the format given in specified format. Copy of Tax Residency certificate (TRC) issued by revenue authority of country of residence of shareholder valid for the financial year 2024-25. Self-attested copy of acknowledgement Form 10F submitted at Income Tax Portal if all the details required in this form are not mentioned in the TRC. <p>Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Bank of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Bank reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
2	Alternative Investment Fund - Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> Self-attested copy of PAN card (if available) Self-declaration as per the specified format along with adequate documentary evidence substantiating the nature of the entity

3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ul style="list-style-type: none"> • Self-attested copy of PAN card (if available) • Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder valid for Financial Year 2024-25. • Self-attested copy of acknowledgement of Form 10F submitted at Income Tax Portal if all the details required in this form are not mentioned in the TRC. • Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] as per the specified format. <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Bank of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Bank reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act	NIL	<ul style="list-style-type: none"> • Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India. • Self-Declaration as per the specified format, that the conditions specified in section 10(23FE) have been duly complied with
6	Wholly owned Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act	NIL	Self-Declaration as per the specified format substantiating the fulfilment of conditions prescribed under section 10(23FE) of the IT Act
7	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the IT Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	Copy of the lower tax withholding certificate obtained from Income Tax Department

1. Format of above mentioned form(s) / declaration(s) are available at <https://ris.kfintech.com/form15/>
2. The aforesaid requisite documents as applicable to your case can be uploaded on the link <https://ris.kfintech.com/form15/> **on or before Sunday, July 21, 2024. Any communication received after the above mentioned cut-off date will not be considered, for deduction of applicable tax.** Where copies of the documents are required, such copies should be self-attested by the shareholder or its authorized signatory.
3. You may also utilize the online application developed as per SEBI guidelines and accessible by registering with First Hoder PAN at the URL: <https://kprism.kfintech.com/signup>
4. 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 before granting any beneficial rate or NIL Rate.

5. The Bank reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete. In such cases, the Bank reserves the rights to rely on its independent assessment and deduct tax at higher rates as per applicable provisions.
6. As per the provisions of Section 206AB of the Act, if any TDS is deductible from a "specified person", then, TDS would be deducted at higher of the following rates-
 - a. twice the rate specified in the relevant provision of the Act;
 - b. Twice the rate or rates in force;
 - c. At the rate of 5%. For the above purpose, "specified person" means a person, being a resident or a non- resident having a Permanent Establishment (PE) in India
 - a. 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 this purpose, the assessment year would be reckoned to be the one for which time limit for filing Return of Income under sub-section (1) of section 139 has expired; and
 - b. The aggregate of TDS/TCS deducted/collected in the case of such person is Rs.50,000 or more in the said previous year.
7. Benefit under Rule 37BA:- In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied by the Bank in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration specified format.

Accordingly, if, at the time of deducting TDS, the status of a resident shareholder or a non-resident shareholder (having a PE in India), as shown by the system of the Income-tax Department, is a "specified person", TDS would be deductible at twice the normally applicable rate or 5%, whichever is higher.

Further, if owing to non-availability of PAN of a shareholder who is a "specified person" under section 206AB of the Act, the provisions of section 206AA are also applicable, TDS would be deductible at the rate applicable under section 206AA or under section 206AB of the Act, whichever is higher.

In the cases of resident shareholders, if PAN of a shareholder is not updated, it shall be assumed that the shareholder is a "specified person" for the purpose of section 206AB of the Act and TDS would be regulated accordingly.

It may be noted that, the provisions of Section 206AB shall not be applicable in the cases of non-resident shareholders not having a PE in India. For this purpose, the expression PE (i.e., permanent establishment) includes a fixed place of business through which the business of the non-resident is wholly or partly carried on.

Thus, if a non-resident shareholder, who is otherwise liable for higher TDS under Section 206AB, submits a duly signed and verified declaration confirming that he/she does not have a PE in India, the provisions of Section 206AB would not come into play and TDS would be deductible at the normally applicable rate. In absence of such a declaration, TDS would be regulated as per the provisions of section 206AB of the Act.

8. In case of tax deducted at a higher rate, the shareholder shall have the option to file return of income and claim appropriate refund from the Income Tax Authority. No claim shall lie against the Bank for the taxes deducted.
9. 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 Bank and also, provide the Bank with all information / documents and co-operation in any tax proceedings. In case dividend income is assessable in the hands of person other than member, then declaration in the specified format needs to be provided by member for the same as per Rule 37BA of the Income Tax Rules, 1962.

10. The Bank will issue soft copy of the TDS certificate to its shareholders through email registered with the Bank / RTA post payment of the dividend. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in> (refer to Form 26AS).

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.

For **Utkarsh Small Finance Bank Limited**

Sd/-
Muthiah Ganapathy
Company Secretary & Compliance Officer

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