

Dear Shareholder,

Sub: TDS on Dividend Payment during the Financial Year 2020-21

Unit: Acknit Industries Limited

We are pleased to inform you that the Board of Directors of your Company at their meeting held on 29th June, 2020 has recommended a dividend of Rs.1.50 per equity share having nominal value of Rs.10/- each (i.e. 15%) for the Financial Year ended 31st March, 2020.

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

In accordance with the provisions of the Income Tax Act, 1961 as amended by the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source u/s 194, 195 and 196D of Income Tax Act, 1961 depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

This communication summarizes the applicable Tax Deduction at Source (TDS) provisions, as per the Income Tax Act, 1961, for various categories of shareholders along with required documents provided in Table 1 and 2 below:

Table 1: Resident Shareholders

| Category of Shareholder | Tax deduction Rate | Exemption applicability/ Documentation requirement |
|--|-----------------------------|---|
| Any resident shareholder | 7.5% | No deduction of taxes in the following cases – <ul style="list-style-type: none">• If dividend income to a resident Individual shareholder during FY 2020-21 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. Please refer attached format of Form 15G and Form 15H in “Annexure 1” and “Annexure 2” respectively. |
| Mutual Funds | NIL | Self-attested copy of registration certificate with SEBI and self-declaration that the mutual fund 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. |
| 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. |
| Order under section 197 of the Act | Rate provided in the order. | Lower/NIL withholding tax certificate obtained from Income Tax authorities. . |
| Alternative Investment fund (AIF) | 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. Copy of registration documents (self-attested) should be provided. |
| Other resident shareholder without PAN/Invalid PAN | 20% | Shareholders should update the PAN if not already done with depositories (in case shares are held in demat mode) and with the |

| | | |
|--|--|--|
| | | Company's Registrar & Share Transfer Agent - S K Infosolutions Pvt. Ltd. at their email ID: skcdivit@gmail.com (in case shares are held in physical mode). |
|--|--|--|

Table 2: Non-resident Shareholders

| Category of Shareholder | Section | Tax Deduction Rate | Exemption applicability/ Documentation requirement |
|---|---------|--|--|
| Any non-resident shareholder | 195 | 20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower | <p>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:</p> <ul style="list-style-type: none"> • 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 format in "Annexure 3". • Self-declaration from Non-Resident in the attached format in "Annexure 4", primarily covering the following: <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 beneficial owner of such income. ➤ Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. <p>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided.</p> <p>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 and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.</p> |
| Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI) | 196D | 20% (plus applicable surcharge and cess) | None |
| Submitting Order under section 197 of the Act | 197 | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |

Such TDS rate shall not be reduced on account of the application of the lower Tax Treaty rate, if any.

Kindly note that the aforementioned documents are required to be mailed to us at email ID: skcdivit@gmail.com or cs@acknitindia.com on or before 31st August, 2020 in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post 31st August, 2020.

It may be further noted that in case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

The Company will arrange to send TDS certificate in Form 16A in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at incometaxindiaefiling.gov.in.

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 the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with S K Infosolutions Pvt. Ltd. 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 also request you to register your email IDs and mobile numbers with the Company at company email ID: cs@acknitindia.com or with S K Infosolutions Pvt. Ltd. at their email ID: skcdivit@gmail.com

We request your cooperation in this regard.

Thanking You.

Yours Faithfully,
For **Acknit Industries Limited**

Sd/-
Bandana Saha
Company Secretary and Compliance Officer

Form 15G – Annexure 1
Form 15H – Annexure 2
Form 10F – Annexure 3
Self-declaration – Annexure 4

Note: Please mention DP ID/ CL ID or Folio number in all future communication

Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Share Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

INCOME-TAX RULES, 1962

FORM NO. 15G

[See section 197A (1), 197A (1A) and rule 29C]

Declaration under section 197A (1) and section 197A (1A) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax

PART I

| | | | | |
|--|---|---|---------------------------------------|-----------------------------|
| Name of the Company | | Folio No. / DP id Client id / FDR No. | | |
| 1. Name of Assessee (Declarant) | | 2. PAN of the Assessee ¹ SELF ATTESTED COPY of valid PAN Card to be attached | | |
| 3. Status ² | 4. Previous year(P.Y.) ³ (for which declaration is being made) | 5. Residential Status ³ | | |
| 6. Flat/Door/Block No. | 7. Name of Premises | 8. Road/Street/Lane | 9. Area /Locality | |
| 10. Town / City / District | 11. State | 12. PIN | 13. Email | |
| 14. Telephone No. (with STD Code) and Mobile No. | 15 (a) Whether assessed to tax under the Income-tax Act, 1961 ⁵ : (b) If yes, latest assessment year for which assessed | | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 16. Estimated income for which this declaration is made | | 17. Estimated total income of the P.Y. in which income mentioned in column 16 to be included ⁶ | | |
| 18. Details of Form No. 15G other than this form filed during the previous year, if any ⁷ | | | | |
| Total No. of Form No. 15G filed | | Aggregate amount of income for which Form No. 15G .filed | | |
| 19. Details of income for which the declaration is filed | | | | |
| Sl. No. | Identification number of relevant investment/account, etc. ⁸ | Nature of income | Section under which tax is deductible | Amount of income |
| | | | | |

.....
*Signature of the Declarant*⁹

Declaration/ Verification¹⁰

*I/We..... do hereby declare that to the best of *my/our knowledge and belief what is stated above is correct, complete and is truly stated. *I/ We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961.*I/We further declare that the tax *on my/our estimated total income including *income/incomes referred to in column 16*and aggregate amount of *income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on..... relevant to the assessment year.....will be nil.* I/We also declare that *my/our *income / incomes referred to in column 16* and the aggregate amount of *income / incomes referred to in column 18 for the previous year ending on..... relevant to the assessment year..... will not exceed the maximum amount which is not chargeable to income-tax.

Place:
Date:..... *Signature of the Declarant*⁹

1. Substituted by IT (Fourteenth Amdt.) Rules 2015, w.e.f. **1-10-2015**. Earlier Form No. 15G was inserted by the IT (Fifth Amdt.) Rules, 1982, w.e.f. 21-6-1982 and later on amended by the IT (Fifth Amdt.) Rules, 1989, w.r.e.f. 1-4-1988, IT (Fourteenth Amdt.) Rules, 1990, w.e.f. 20-11-1990 and IT (Twelfth Amdt.) Rules, 2002, w.e.f. 21-6-2002 and substituted by the IT (Eighth Amdt.) Rules, 2003, w.e.f. 9-6-2003 and IT (Second Amdt.) Rules, 2013, w.e.f. 19-2-2013.

PART II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

| | | | |
|---|--|---|---|
| 1. Name of the person responsible for paying | | 2. Unique Identification No. ¹¹ | |
| 3. PAN of the person responsible for paying | 4. Complete Address | | 5. TAN of the person responsible for paying |
| 6. Email | 7. Telephone No. (with STD Code) and Mobile No | | 8. Amount of Income paid ⁶ |
| 9. Date on which Declaration is received (DD/MM/YYYY) | | 10. Date on which the income has been paid /credited (DD/MM/YYYY) | |
| | | | |

Place:

Date:

.....
*Signature of the person responsible for paying
the income referred to in column 16 of Part I*

*Delete whichever is not applicable.

¹As per provisions of section 206AA(2), the declaration under section 197A(1) or 197A(1A) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).

²Declaration can be furnished by an individual under section 197 A(1) and a person (other than a company or a firm) under section 197A(1A).

³The financial year to which the income pertains.

⁴Please mention the residential status as per the provisions of section 6 of the Income-tax Act, 1961.

⁵Please mention “Yes” if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

⁶Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

⁷In case any declaration(s) in Form No. 15G is filed before filing this declaration during the previous year, mention the total number of such Form No. 15G filed along with the aggregate amount of income for which said declaration(s) have been filed.

⁸Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

⁹Indicate the capacity in which the declaration is furnished on behalf of a HUF, AOP, etc.

¹⁰Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable-

(i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.

¹¹The person responsible for paying the income referred to in column 16 of Part I shall allot a unique identification number to all the Form No. 15G received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 3 1A (4) (vii) of the Income-tax

Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15H during the same quarter, please allot separate series of serial number for Form No.15G and Form No.15H.

¹²The person responsible for paying the income referred to in column 16 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section (1) or sub-section (1A) of section 197A or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 16 and 18.

1FORM NO. 15H

[See section 197A(1C) and rule 29C]

Declaration under section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.**PART I**

| | | | | |
|---|---|--|---------------------------------------|--|
| Name of the Company | | Folio No./ DP id Client id/ FDR No. | | |
| 1. Name of Assessee (Declarant) | | 2. Permanent Account Number or Aadhaar Number of the Assessee ¹ SELF ATTESTED COPY of valid PAN Card to be attached | | 3. Date of Birth ² (DD/MM/YYYY) |
| 4. Previous year(P.Y.) ³ (for which declaration is being made) | | 5. Flat/Door/Block No. | | 6. Name of Premises |
| 7. Road/Street/Lane | 8. Area/Locality | 9. Town/City/District | | 10. State |
| 11. PIN | 12. Email | 13. Telephone No. (with STD Code) and Mobile No. | | |
| 14 (a) Whether assessed to tax ⁴ : | | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| (b) If yes, latest assessment year for which assessed | | | | |
| 15. Estimated income for which this declaration is made | | | | |
| 16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included ⁵ | | | | |
| 17. Details of Form No.15H other than this form filed for the previous year, if any ⁶ | | | | |
| Total No. of Form No.15H filed | | Aggregate amount of income for which Form No. 15H filed | | |
| 18. Details of income for which the declaration is filed | | | | |
| Sl. No. | Identification number of relevant investment/account, etc. ⁷ | Nature of income | Section under which tax is deductible | Amount of income |
| | | | | |

.....
Signature of the Declarant

1.Substituted by IT (Fourteenth Amdt.) Rules 2015, w.e.f. **1-10-2015**. Earlier Form No. 15H was amended by the IT (Fifth Amdt.) Rules, 1982, w.e.f. 21-6-1982, IT (Fifth Amdt.) Rules, 1989, w.r.e.f. 1-4-1988, IT (Fourteenth Amdt.) Rules, 1990, w.e.f. 20-11-1990, IT (Twelfth Amdt.) Rules, 1992, w.e.f. 1-6-1992, IT (Seventh Amdt.) Rules, 1995, w.e.f. 1-7-1995, IT (Thirty-second Amdt.) Rules, 1999, w.e.f. 19-11-1999, IT (Twelfth Amdt.) Rules, 2002, w.e.f. 21-6-2002, IT (Eighth Amdt.) Rules, 2003, w.e.f. 9-6-2003, IT (Fourteenth Amdt.) Rules, 2003, w.e.f. 1-8-2003, w.e.f. 1-8-2003 and IT (Second Amdt.) Rules, 2013, w.e.f. 19-2-2013

Declaration/Verification⁸

I do hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including *income/incomes referred to in column 15 *and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on..... relevant to the assessment year..... will be *nil*.

Place:

Date:

.....

Signature of the Declarant

PART II

[To be filled by the person responsible for paying the income referred to in column 15 of Part I]

| | | | |
|--|---|--|---|
| 1. Name of the person responsible for paying | | 2. Unique Identification No. ⁹ | |
| | | | |
| 3. Permanent Account Number or Aadhaar Number of the person responsible for paying | 4. Complete Address | | 5. TAN of the person responsible for paying |
| | | | |
| 6. Email | 7. Telephone No. (with STD Code) and Mobile No. | | 8. Amount of income paid ¹⁰ |
| | | | |
| 9. Date on which Declaration is received (DD/MM/YYYY) | | 10. Date on which the income has been paid/credited (DD/MM/YYYY) | |
| | | | |

Place:

.....

Date:

Signature of the person responsible for paying the income referred to in column 15 of Part I *

*Delete whichever is not applicable.

1. As per provisions of section 206AA(2), the declaration under section 197A(1C) shall be invalid if the declarant fails to furnish his valid Permanent Account Number or Aadhaar Number.
2. Declaration can be furnished by a resident individual who is of the age of 60 years or more at any time during the previous year.
3. The financial year to which the income pertains.
4. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.
5. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.
6. In case any declaration(s) in Form No. 15H is filed before filing this declaration during the previous year, mention the total number of such Form No. 15H filed along with the aggregate amount of income for which said declaration(s) have been filed.
7. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.
8. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable—

- (i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.

9. The person responsible for paying the income referred to in column 15 of Part I shall allot a unique identification number to all the Form No. 15H received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15G during the same quarter, please allot separate series of serial number for Form No.15H and Form No.15G.

10. The person responsible for paying the income referred to in column 15 of Part I shall not accept the declaration where the amount of income of the nature referred to in section 197A(1C) or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax after allowing for deduction(s) under Chapter VI-A, if any, or set off of loss, if any, under the head “income from house property” for which the declarant is eligible. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 15 and 17.

¹ **[Provided** that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.]

FORM NO. 10F

[See sub-rule (1) of rule 21AB]

Information to be provided under sub-section (5) of section 90 or sub-section (5) of section 90A of the Income-tax Act, 1961

I _____ *son/daughter of Shri _____ in the capacity of _____ (designation) do provide the following information relevant to the previous year _____ *in my case/ in the case of _____ for the purposes of sub-section (5) of *section 90/section 90A.

| Sl. No | Nature of information | | Details# |
|--------|--|---|----------|
| (i) | Status (individual, company, firm etc.) of the assessee | : | |
| (ii) | Permanent Account Number (PAN) of the assessee if allotted | : | |
| (iii) | Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others) | : | |
| (iv) | Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a Resident | : | |
| (v) | Period for which the residential status as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A is applicable | : | |
| (vi) | Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable | : | |

2. I have obtained a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A from the Government of ____.

Signature:

Name: _____

Address: _____

Permanent Account Number: _____

Verification

I _____ do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the

.....
Signature of the person providing the information

Place:

Notes:

1. *Delete whichever is not applicable.
2. #Write N.A. if the relevant information forms part of the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A.

<letterhead>

Date:

To
Acknit Industries Limited
817, Krishna
224, A J C Bose Road
Kolkata-700017

Dear Sir,

Sub: Certification with regard to Payment of Dividend during the Financial Year 2020-21

For the purpose of determination of tax liability u/s. 195 of the [Indian] Income Tax Act, 1961, I/We hereby certify that -

| Nature of information | Details |
|---|--|
| Name of the Shareholder | |
| Folio No/DP ID & Client ID | |
| Address in the country of residence | |
| Email id. | |
| Contact number | |
| Status | Company / LLP / Partnership / Trust / Individual |
| Tax identification number in the country of residence | |

1. I/We, << Name of the shareholder >> confirm that I/We are a tax resident of <<Insert country>> and are eligible to claim benefits of the India - << Insert country>> Double Tax Avoidance Agreement (DTAA), read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable.
2. I/We, <<Name of the shareholder >> are the beneficial owner of the shares allotted in above folio no. as well as of the dividend arising from such shareholding.
3. I/We further declare that I/we have the right to use and enjoy the dividend received/receivable from the above shares and such right is not constrained by any contractual and/or legal obligation to pass on such dividend to another person.
4. I/We either do not have a Permanent Establishment (P.E.) in India or Dividend income earned by us is not attributable/effectively connected to the our P.E. in India as defined under the Income Tax Act, 1961 and DTAA between India and <Name of Country> read with the provisions laid down in Multilateral Instruments (MLI), wherever applicable, during the financial year <<<Year>>>. I/We further confirm that I/We do not have any business connection in India as per provisions of Income-tax Act 1961. In the event of I/We having a

P.E. in India or Dividend income is attributable/effectively connected to such P.E., I/We acknowledge our obligation to inform you forthwith with necessary details.

I/We hereby declare that the investments made by me/us in the shares of Acknit Industries Limited are 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 investments would be in accordance with the object and purpose of the relevant provisions of the Double Taxation Avoidance Agreement between India and [..... Insert name of country of which the shareholder is tax resident]

I/We further agree to indemnify Acknit Industries Limited for any penal consequences arising out of any acts of commission or omission initiated by << Name of the Shareholder>> by relying on our above averment.

Thanking you,

Yours Sincerely,

For <Name of the Shareholder>

Name: <insert authorised person name>

<Insert designation>