



**State Bank of India**  
*(Constituted under the State Bank of India Act, 1955)*  
**Corporate Centre, State Bank Bhavan, Madame Cama Road, Nariman Point,  
Mumbai - 400021, Maharashtra. Website: <https://bank.sbi>, Email:  
investor.complaints@sbi.co.in**  
*Phone No.: 022-2274-2403 / 0844 / 1474 / 1431 / 0841 / 0846 / 0843*

Date:15.05.2024

Dear Shareholder,

**Subject: Declaration of dividend for the F.Y. 2023-24**

With great pleasure we wish to inform you that the Central Board of the Bank at their Meeting held on 09.05.2024 has declared dividend of Rs.13.70/- per equity share of face value of Re. 1/- each for the Financial Year 2023-24. **The Record Date for payment of dividend has been fixed as 22.05.2024 and the date of dividend payment will be 05.06.2024.**

2. Further, as per Sub Regulation (5) of Regulation 42 of SEBI LODR, 2015 and other applicable provisions, we inform that the Register of Shareholders of State Bank of India will be closed from 23.05.2024 to 25.05.2024 for transfer of shares, for the purpose of payment of dividend for FY 2023-24.

3. In terms of Section 194 of the Income Tax Act, 1961, ('the Act') read with the Finance Act, 2020, dividend declared, paid and distributed by the Bank on or after 01<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders. The Bank shall therefore be required to deduct tax at source (TDS) at the time of payment of dividend in accordance with the relevant provisions of the Act.

4. As per the latest information available with the Depositories (NSDL / CDSL) and the Registrar and Transfer Agent (RTA) (M/s. Alankit Assignments Limited), you will be classified either as a Resident Shareholder or a Non-Resident Shareholder and also sub-classified as Individual / Company / Firm / HUF / AOP / other entity based on the Permanent Account Number (PAN). If you remain as a shareholder on the record date, the dividend receivable by you would be taxable and would be subject to TDS as per the provisions of the Income Tax Act, 1961.

5. Further, we wish to inform that Securities and Exchange Board of India (SEBI), vide its latest Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024, has issued, inter alia, guidelines on "Common and Simplified Norms for Processing Investor's Service Requests by RTAs and norm for furnishing PAN, KYC details and Nomination." Para 19.1 of the Master Circular mandates all the holders of physical securities to furnish PAN, Choice of Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. In continuation of the same, Para 19.2 lays down the procedure for availing services and payment of dividend etc. in the folios without PAN, KYC details and Nomination which reads as under:

***"19.2. Folios without PAN, KYC details and Nomination: The security holder(s) whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible:***

- *to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination.*
- *for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024. An intimation shall be sent by the Listed Company/ Entity to the security holder that such payment is due and shall be made electronically only upon complying with the requirements stated in Para 19.1 of the Master Circular.”*

6. In view of the above, if you are holding shares in physical form, you are required to furnish valid PAN, Choice of Nomination, Contact Details, Bank Account Details and updated Specimen Signature immediately to Bank’s RTA in the prescribed forms (available on the bank website [bank.sbi](http://bank.sbi) under the link ‘[Investor Relations](#)’), if not already done, to avail uninterrupted service requests as well as dividend credit in bank account, as no dividend will be paid by way of issuance of physical warrant, with effect from 1<sup>st</sup> April 2024. For your convenience, you may also dematerialize the physical holding so as to avail the benefit of electronic dividend payment.

7. However, if you are holding shares in dematerialized form and wish to update the records such as PAN, Choice of Nomination, Contact Details, Bank Account Details and updated Specimen Signature, etc. you may do so with your relevant depositories through your depository participants, well before the Record date.

#### **8. For Resident Shareholders:**

TDS will be applicable under Section 194 of the Act @ 10% on the amount of dividend payable, where a valid PAN has been furnished by the concerned resident shareholders to their respective Depository Participants (in case shares are held in dematerialised form) or to the RTA of the Bank (in case shares are held in physical form). In the absence of a valid PAN, the applicable rate of TDS will be 20%.

Members are required to link their Aadhaar number with PAN as required under Section 139AA (2) read with rule 114AAA, before the Record Date. If any PAN is found to have not been linked with Aadhaar within the stipulated timelines, then such PAN shall be deemed inoperative and TDS will be deducted at higher rate under Section 206AA of the Act. The Bank reserves its right to recover any demand raised subsequently on the Bank for not informing or providing wrong information about applicability of Section 206AA.

#### **9. Further, no TDS will be applicable for dividend payable to:**

##### **a) Resident Individual Shareholders, if:**

- the total dividend to be paid to the Individual shareholder by the Bank for the F.Y. 2023-24 does not exceed Rs.5,000/-.  
*(Please note that this includes the future dividends, if any, which may be declared by the Central Board of your Bank during the financial year 2024-25).*
- their income is below the taxable limit and a declaration is received from the concerned shareholders in Form 15G (for persons up to age of 60 years) or in Form 15H (for persons above the age of 60 years) along with self-attested copy of valid PAN card.

##### **b) Resident Shareholders other than Individuals, if:**

Sufficient documentary evidence thereof, to the satisfaction of the Bank should be submitted as mentioned below:

- Insurance companies:** A declaration of beneficial ownership of shares held along with copy of registration documents (self-attested);

- ii. **Mutual Funds:** A declaration that it is governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested);
- iii. **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10 (23FBA) of the Act and it is established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- iv. **New Pension System Trust:** A declaration that the trust is governed by the provisions of Section 10 (44) [sub-section 1E to section 197A] of the Act along with copy of registration documents (self-attested);
- v. **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 must submit documentary evidence that it is covered under Section 196 of the Act.

## 10. For Non-resident shareholders:

### a) For Foreign Portfolio Investors and Foreign Institutional Investors and other non-resident shareholders

TDS will be applicable @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.

However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder. For this purpose, i.e., to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, allotted by the Indian Income Tax Authorities.
- ii. Self-attested copy of Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is a resident [TRC valid for Financial Year 2024 - 25];
- iii. Self-declaration in Form 10F. Acknowledgement copy filed online on Income Tax Portal.
- iv. Self-declaration by the non-resident shareholder as to:
  - Eligibility to claim tax treaty benefits based on the residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India.
  - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
  - Shareholder being the beneficial owner of the shares.

## 11. Shareholders willing to obtain certificate under Sec 197 of the Act

Shareholders who wish to obtain certificate for lower/ NIL TDS deduction under section 197 of the Act on dividend receipt are requested to apply for the same by stating the Bank's TAN No. as MUMS99307F.

## 12. Requirement of furnishing details in Form 15CA/15CB.

As per Section 195, every person making a payment to Non-Residents or to a Foreign Company shall deduct TDS if such sum is chargeable to Income Tax and the details are required to be furnished in Form 15CA. Form 15CA has been classified into 4 parts.

PART A: Where the remittance or the aggregate of such remittance does not exceed 5 lakh rupees during the F.Y.

PART B: Where remittance or the aggregate of such remittances exceed 5 lakh rupees during the FY and an order / certificate u/s 195(2) / 195(3) /197 of the Act has been obtained from the Assessing Officer.

PART C: Where the remittance or the aggregate of such remittance exceed 5 lakh rupees during the FY and a certificate in Form No 15CB from an accountant has been obtained.

PART D: Where the remittance is not chargeable to tax under the Income Tax Act, 1961.

### **13. Applicability of higher rate of TDS to be deducted as per Section 206AA & 206AB of the Act in case of non-furnishing of PAN/ invalid PAN and non-filing of ITR respectively**

- a. As per Section 206AA of the Income tax Act, 1961, if the recipient of any payment (dividend in this case) fails to furnish PAN or where the PAN provided is invalid, then in such cases, TDS will be deducted as per the following:
- rate specified in the relevant provision of the Act; or
  - rate or rates in force; or
  - 20%; whichever is higher.

Hence, in such cases where PAN has not been furnished, PAN has not been linked with Adhaar which has subsequently made the PAN invalid/ inoperative and where incorrect PAN details have been provided by the investors, the Bank is liable to deduct TDS at a higher rate on the amount of dividend payable as per the provisions of Section 206AA of the Act as cited above.

- b. As per Section 206AB of the Income tax Act, 1961, if the deductee (shareholder) has not filed the Income tax return (ITR) in the last year and the aggregate amount of TDS deducted during the FY exceeds Rs. 50,000, then in such cases, TDS will be deducted as per the following:
- twice the rate specified in the relevant provision of the Act; or
  - twice the rate or rates in force; or
  - 5%; whichever is higher.

Where the resident shareholders have not filed return of Income for the financial year immediately preceding the financial year for which tax is required to be deducted, for which time limit for filing return has expired and the aggregate TDS in their case is Rs.50,000/- or more in said financial year, the aforesaid shareholders, effective from 1st July, 2021, have been classified as 'Specified Person' in terms of Section 206AB of the Income-tax Act, 1961.

Non-residents who don't have permanent establishment are excluded from the scope of a specified person. The Bank reserves its right to recover any demand raised subsequently under section 206AB on the Bank for not informing the Bank regarding permanent establishment.

Where sections 206AA and 206AB are applicable i.e., the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at higher of two rates prescribed in these two sections.

In case where the benefit of lower tax on dividend cannot be provided by the Bank in the absence of, or due to late receipt of, the aforesaid documents, shareholders will still have an option to claim appropriate refund, if eligible, at the time of filing their income tax returns. No claim shall lie against the Bank for taxes once deducted.

#### **14. Shareholders having multiple accounts under different status / category**

Shareholders holding shares in multiple accounts under different status / category under a single PAN, 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.

Apart from the above, since the TDS rates are different for resident and non-resident shareholders, you are requested to confirm your residential status as per the provisions of the Income Tax Act, 1961, by email to [sbi.div@alankit.com](mailto:sbi.div@alankit.com)

Please visit <https://einwardsbi.alankit.com> to submit Form 15G / 15H / Tax Exemption Forms online.

The consideration of the aforesaid documents, including application of beneficial tax treaty rate, wherever applicable, will depend on the adequacy and completeness of such documents submitted by the shareholders and review of the same to the satisfaction of the Bank. **Documents received after 25.05.2024 and / or incomplete documents will not be considered.**

In case where the benefit of lower tax on dividend cannot be provided by the Bank in the absence of, or due to late receipt of, the aforesaid documents, shareholders will still have an option to claim appropriate refund, if eligible, at the time of filing their income tax returns. No claim shall lie against the Bank for taxes, once deducted.

#### **Transferring credit to the beneficial owner**

In cases where the shareholder is merely a custodian of the shares and not the beneficial owner of the dividend payable in respect thereof, i.e the dividend is assessable in the hands of another person, then in order to transfer the credit of TDS to the beneficial owner of dividend income, i.e in whose hands the dividend is assessable the shareholder may provide a declaration prescribed by Rule 37BA of the Income-Tax Rules, 1962. The aforesaid declaration shall contain (i) name, address, PAN and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person.

**The above declaration must be provided on or before 25.05.2024 in order to enable the Bank to determine and apply appropriate TDS. Please note that no application under Rule 37BA would be considered in absence of the aforesaid details and if provided with delay.**

#### **15. Information on tax deducted:**

- Shareholders can check Form 26AS from their e-filing account at <https://www.incometax.gov.in>
- Shareholders can also use the “View Your Tax Credit” facility available at <https://www.incometax.gov.in> Please note, the credit in Form 26AS would be reflected after the TDS Return is filed on a quarterly basis by the Bank and the same is processed by the Income Tax Department.

- The TDS certificate will be e-mailed to your registered e-mail address in due course after payment of the aforesaid dividend and filing of TDS Return.
- If the requisite documents and details are not provided by the shareholders within the specified time, TDS would be regulated as per the provisions of the Act. In such a case, if TDS is deducted at a rate which is considered higher than the applicable rate of tax in a particular case, refund of such excess TDS may be claimed by the shareholder as provided under law. However, no claim shall lie against the Bank for such deduction of TDS. If PAN is not updated or incorrect PAN is furnished/recorded, claim of refund of TDS deducted will not be feasible.
- 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 Bank and also, provide the Bank with all information / documents and co-operation in appellate proceedings, if any, preferred by the Bank.
- Further, shareholders who have not registered their email address, are requested to register the same. In case shares are held in physical mode, please provide Folio No., Name of Shareholder, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to RTA of the Bank (M/s. Alankit Assignments Limited), whose address is given below.

In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to your DP.

- In line with the Securities and Exchange Board of India ("SEBI") directives, it is required to update bank account details of the shareholders to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits.

***This communication should not be treated as tax advice from the Bank.***

For any query pertaining to above dividend payment, please mail to [sbi.div@alankit.com](mailto:sbi.div@alankit.com)

Please send your correspondence to our RTA at the following address:

**Alankit Assignments Limited, (Unit: State Bank of India),  
205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110055, India.  
Telephone: (+91) 7290071335**

Thank you for your kind co-operation and support.

**For State Bank of India**

**Manoj Kumar Sinha  
General Manager (Shares & Bonds)**

Enclosures:

- [Form 15H \(Link\)](#)
- [Form 15G \(Link\)](#)
- [Form 10F \(Link\)](#)
- [Self-Declaration \(Link\)](#)
- [ISR-1 \(Link\)](#)
- [ISR-2 \(Link\)](#)
- [ISR-3 \(Link\)](#)
- [SH-13 \(Link\)](#)
- [SH-14 \(Link\)](#)

***For urgent attention of our Shareholders –***

- *SEBI has mandated that transfer / sale of securities held in physical form shall not be processed unless the same are held in the dematerialized form with a depository. This implies that shareholders will not be able to transfer / sell the shares held in physical form. Such shareholders are requested to dematerialize their shares at the earliest.*
- *Please also note that the Re.1 face value share certificate was sent to concerned physical shareholders pursuant to stock split by the Bank on 22.11.2014 and to physical shareholders of erstwhile Associate Banks in April 2017, pursuant to merger of these Banks with SBI. The same is required / valid for dematerialization. In case, Re.1 face value share certificate is not available, please contact the Bank's RTA.*
- *We request our physical shareholders to update your PAN, KYC (including email, contact details & bank account), Choice of Nomination & Signature with Bank's RTA as stipulated by SEBI, to avail uninterrupted service request as well as dividend credit in bank account, etc., if not already done. Demat shareholders are requested to update the same with their DP.*
- *As you might be aware that dividend which remains unclaimed for seven years is required to be transferred to IEPF, please claim your dividend if unpaid for the period FY 2016-17 by submitting claim to Bank's RTA latest by 30.06.2024. Thereafter, the same may be claimed from the IEPF authority. Please note that SBI has not declared any dividend during the FYs 2017-18, 2018-19 and 2019-20). For earlier periods, the same may be claimed by filing of request in IEPF portal.*
- *In case wherever Letter of Confirmation (LOC) has been issued to Shareholders pursuant to processing of their service request, the same is required to be deposited with your Depository Participant (DP) within 120 days from the date of issuance to avoid transfer of shares to Unclaimed Suspense A/c. as per SEBI guidelines.*

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