



June 1, 2020

1. The Dy. General Manager
Corporate Relationship Dept.
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001
Scrip Code No: 532301
2. The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
Scrip symbol: TATACOFFEE

Dear Sir(s),

Sub: Communication to Shareholders - Intimation on Tax Deduction on Dividend

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 dividends paid to the shareholders at prescribed rates along with the necessary annexures.

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

Please take the same on record.

Thanking you,

For Tata Coffee Limited

Anantha Murthy N

Head – Legal & Company Secretary

Encl.: as above

TATA COFFEE LIMITED

57 Railway Parallel Road, Kumara Park West Bengaluru 560 020
Tel: 91 80 23560695 - 97 23561976 - 81 Fax: 91 80 23341843
Registered Office: Pollibetta 571 215 South Kodagu Karnataka India
Corporate Identity Number (CIN) -L01131KA1943PLC000833
Website address - www.tatacoffee.com



TATA COFFEE LIMITED

CIN:L01131KA1943PLC000833

Registered Office: Pollibetta - 571215, Kodagu, Karnataka

Corporate Office: #57, Railway Parallel Road, Kumara Park West, Bengaluru - 560020

Tel: +91 80 23561976/81 Fax: +91 80 2334 1843 Website: www.tatacoffee.com E-mail ID:

investors@tatacoffee.com

May 27, 2020

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on May 5, 2020 have declared a Dividend of Rs.1.50 per Equity Share of Re.1.00 each (150%) for the financial year ended March 31, 2020. As you may be aware that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020 ('Act'), dividends paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the Final Dividend, if approved by the shareholders in the Annual General Meeting to be held on June 29, 2020.

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories.

1. For Resident Shareholders -

Tax is required to be deducted at source under Section 194 of the Income Tax Act, 1961 at 7.5% on the amount of dividend.

A. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if -

- a. Total dividend to be received during Financial Year 2020-21 does not exceed Rs. 5,000/-
- b. The shareholder who has provided Form 15G/ Form 15H (applicable to an Individual above the age of 60 years), as per the attached formats, provided that all the required eligibility conditions are met.

- c. The shareholder who has provided a Certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by income tax authority

Note: Recording of the Valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of PAN/ Valid PAN , tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act

B. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to resident non-individuals on submission of

- a. **Insurance Companies:** Public & Other Insurance Companies - A declaration that it has full beneficial interest with respect to the shares owned by it along with PAN
- b. **Mutual Funds:** Certificate of registration u/s 10(23D) issued by the appropriate authority along with PAN
- c. **Alternative Investment Fund:** Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF alongwith self-attested copy of the PAN card and registration certificate.
- d. **Other Non-Individual shareholders:** Documentary evidence along with an attested copy of the PAN for Shareholders who are exempted from deduction of tax under Section 194 of the Act, and categories covered u/s 196 of the Act.

2. For Non-resident Shareholders

Non-resident shareholders can avail the benefit of Double Tax Avoidance Treaty between India and their country of residence. To avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

- i. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) (*of FY 2020-21 or calendar year 2020*) obtained from the tax authorities of the country of which the shareholder is resident.
- iii. Self-declaration in Form 10F (attached herewith) if all the details required in this form are not mentioned in the TRC.
- iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (*of FY 2020-21 or calendar year 2020*).

- v. Self-declaration of Beneficial ownership (*of FY 2020-21 or calendar year 2020*) by the non-resident shareholder (draft format attached herewith).

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the Income Tax Act, 1961.

3. For Shareholders having multiple accounts under different Status / Category:

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 held under a PAN will be considered on their entire holding in different accounts.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned **above on or before June 10, 2020**. The said Dividend will be paid after deducting the tax at source as under:

- i. Nil for resident shareholders in case Form 15G / Form15H (as applicable) along with self-attested copy of the valid PAN is submitted.
- ii. 7.5% for resident shareholders in case valid PAN is provided / available.
- iii. 20%, for resident shareholders in case valid PAN is not provided / not available.
- iv. Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- v. 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted (including FII/FPI).

Kindly note that the aforementioned documents are required to be emailed to the Company at tdsdividend@tatacoffee.com on or before **June 10, 2020** in order to enable the Company to determine and deduct TDS / withholding tax at appropriate rate. Communication on the tax determination / deduction shall not be entertained post June 10, 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.

In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

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

Thanking you,

Yours faithfully,

ForTata Coffee Limited

Anantha Murthy N

Head - Legal & Company Secretary