



TATA COFFEE LIMITED

CIN:L01131KA1943PLC000833

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Date : May 10, 2021

Sub : IN123456789012- Tata Coffee Limited - Dividend for the FY 2020-21 - Communication on Tax deduction

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on April 29, 2021 have declared a Dividend of ₹1.50 per Equity Share of ₹1.00 each (150%) for the financial year ended March 31, 2021, subject to approval of shareholders in the 78th Annual General Meeting to be held on June 14, 2021.

As you may be aware, pursuant to the amendments introduced by the Finance Act, 2020, a company will be required to deduct tax at source at the prescribed rates on the dividend paid to its members after April 1, 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend to be paid during the financial year does not exceed Rs 5,000/-.**

The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company.

1. For Resident Shareholders -

Tax is required to be deducted at source under Section 194 of the Income Tax Act, 1961 (the "Act") at the rate of 10% on the amount of dividend received exceeding the threshold limit of Rs.5,000 per annum.

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 2021-22 does not exceed Rs. 5,000/-.

- b. The shareholder who has provided Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), as per the attached formats along with documentary proof, 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 Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of 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 –

- **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
- **Mutual Funds:** Certificate of registration u/s 10(23D) of the Act issued by the appropriate authority along with PAN
- **Alternative Investment Fund:** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and SEBI registration certificate.
- **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.
- 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.

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 PAN Card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) (*of FY 2021-22 or calendar year 2021*) 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 2021-22 or calendar year 2021*).
- v. Self-declaration of Beneficial ownership (*of FY 2021-22 or calendar year 2021*) by the non-resident shareholder (draft format attached herewith).

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. However, if documents specified in items 2(i) to 2(v) are provided, then rates as per respective tax treaty shall be applied.

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.

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 May 24, 2021**. The said Dividend will be paid after deducting the tax at source as under:

- i. **Nil** - for resident shareholders in case aggregate dividend payout is less than Rs 5,000 during FY 2021-22 or in cases Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN is submitted.
- ii. **10%** - for resident shareholders in case PAN is provided / available.

- iii. **20%** - for resident shareholders in case 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. (**Note** : Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)

TDS / withholding tax at 20% plus applicable surcharge and cess shall apply for non-resident shareholders in case the aforementioned documents are not submitted (including FII/FPI). 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.

Kindly note that the aforementioned documents are required to be emailed to the Company at tdsdividend@tatacoffee.com, on or before **May 24, 2021** 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 May 24, 2021.

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. No claim shall lie against the Company for such taxes deducted on payment of dividend.

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/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

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.

Thanking you,

Yours faithfully,

For **Tata Coffee Limited**

Sd/-

(Anantha Murthy N)

Head – Legal & Company Secretary