

# BENGAL & ASSAM COMPANY LIMITED

Regd. Off.: 7, Council House Street, Kolkata - 700001  
Corporate Identity Number: L67120WB1947PLC221402  
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THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder,

**Subject: Tax Deduction at Source (TDS) on Dividend, Bank Account details  
and E-mail Address**

**Trust you and your family are safe and in good health.**

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on 28<sup>th</sup> May 2021, has recommended a Dividend of Rs. 7.50 per equity share (75%), subject to the approval of the Shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend will be paid within three weeks of the date of the AGM to the Shareholders whose names are borne on the Register of Members of the Company as on date of AGM or to their mandatees. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

As you are aware that as per the Income Tax Act, 1961 (**Act**) as amended by the Finance Act, 2020, any dividend paid or distributed by a Company on or after 1<sup>st</sup> April 2020 shall be taxable in the hands of the Shareholders. Therefore, the Company will be required to deduct tax at source (TDS) at the rates applicable to each category of Shareholder at the time of making the payment of Dividend, after declaration of the same at the ensuing Annual General Meeting.

The TDS rate may vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company in accordance with the provisions of the Act.

The applicable TDS rates for various categories of Shareholders along with documents required to be submitted to the Company to avail benefit of Lower/Nil rate of TDS are mentioned below for information of the Shareholders:

## A. RESIDENT SHAREHOLDERS

Sr. No	Particulars	Tax Deduction Rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	None
2	No PAN or valid PAN not updated in the Company's Register of Members	20%	None
3	If the Shareholder submits Certificate of Lower/Nil rate of tax deduction issued U/s 197 of the Income Tax Act, 1961	Rate specified in the Certificate	Self-attested copy of Lower/Nil tax deduction certificate issued by Income Tax Authority
4	Availability of circular or notification containing Lower/ Nil tax deduction	Rate specified in Circular /	Self-attested copy of Lower/Nil tax deduction circular / notification issued by competent authorities

**Note: Shareholders are requested to ensure that their Aadhar number is linked with PAN within prescribed time. In case of failure of linking Aadhar with PAN within the prescribed time, PAN shall be considered inoperative and tax shall be deducted at higher rate of 20%.**

**Non-deduction of TDS from dividend payment**

No TDS will be deducted on payment of dividend to the resident individual Shareholder, if the total dividend paid during a financial year does not exceed Rs. 5,000/-.

Further, no TDS will be deducted on dividend payment to resident Shareholders (other than Individual Shareholders) if the Shareholders submit the details given in the format as per **Annexure-I** which can be downloaded from the link given at the end of this communication, alongwith the documents mentioned in column no.3 in the below table, with the Company:

Sr.No (1)	Particulars (2)	Exemption applicability / Documents required (if any) (3)
1	Shareholders who submit Form 15G/15H as prescribed under Income Tax Rules, 1962	Duly signed Form No. 15G (applicable to an Individual) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling all the required eligibility conditions along with self-attested copy of PAN card. Please note that all the fields are to be mandatorily filled up and Company may at its sole discretion reject the forms if it does not fulfill the requirements of law.
2	Insurance companies	Self-declaration that it qualifies as an Insurer as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity shares owned, along with self-attested copy of PAN card and registration certificate issued by Insurance Regulatory and Development Authority (IRDA)/LIC/GIC.
3	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	Self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card
4	Alternative Investment Fund (AIF) established / incorporated in India	Self-declaration that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and that they are governed under SEBI Regulations as Category I or Category II AIF along with self-attested copy of the PAN card and SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961.
5	Mutual Funds	Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self- attested copy of PAN card and SEBI registration certificate.

6	<ul style="list-style-type: none"> <li>• Recognized Provident Funds</li> <li>• Approved Superannuation Fund</li> <li>• Approved Gratuity Fund</li> </ul>	<p>a) Self-attested copy of a valid order from Commissioner of Income Tax under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 along with self attested copy of PAN Card.</p> <p>b) Self-attested copy of valid approval granted by the Commissioner of Income Tax :  (i) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) <b>and;</b>  (ii) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund)</p>
7	New Pension System Trust	Self declaration that it qualifies as NPS Trust and income is eligible for exemption under Section 10(44) of the Income Tax Act, 1961 and being regulated by the provisions of the Indian Trusts Act, 1882 along with self attested copy of PAN Card.

## B. NON-RESIDENT SHAREHOLDERS

Sr.No.	Particulars	Tax Deduction Rate	Exemption applicability / Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/ Other Non-resident Shareholders	20% (plus applicable surcharge and cess)	<p>FIIs/FPIs/ Other Non-resident Shareholders may opt for tax rate under Tax Treaty. The <b>Tax Treaty rate</b> shall be applied for TDS on submission of following documents to the Company:</p> <ul style="list-style-type: none"> <li>• Self-attested copy of the PAN Card, if any, allotted by the Indian authorities. If the PAN is not allotted, please provide your name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence in the Format as per <b>Annexure-II</b> which can be downloaded from the link given at the end of this communication.</li> <li>• Self-attested copy of Tax Residency Certificate (TRC) valid for the period from April, 2021 to March, 2022 obtained from the tax authorities of the Country of which the Shareholder is a resident.</li> </ul>

			<ul style="list-style-type: none"> <li>• Self-declaration in Form 10F in the Format as per <b>Annexure – III</b> which can be downloaded from the link given at the end of this communication.</li> </ul>
			<ul style="list-style-type: none"> <li>• Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April, 2021 to March, 2022) in the format attached herewith as <b>Annexure – IV</b> which can be downloaded from the link given at the end of this communication.</li> <li>• For FIIs/FPIs, self-attested copy of Registration Certificate issued by SEBI</li> </ul> <p>Please note that Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction on dividend amounts. Application of beneficial Tax Treaty rates shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Shareholders.</p>
2	Availability of Lower/Nil tax deduction certificate issued by Income Tax Department U/s 195/ 197 of Income Tax Act, 1961	Rate specified in certificate	Lower /Nil tax deduction certificate issued by Income Tax Authority

### **TDS to be deducted at higher rate in case of non-filers of Return of Income**

The Finance Act, 2021 has, *inter alia*, inserted Section 206AB in the Income Tax Act, 1961 (the Act) with effect from 1<sup>st</sup> July, 2021. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of following rates from amount paid/credited to 'Specified Person':

- i. At twice the rate specified in the relevant provisions of the Act; or
- ii. At twice the rate or rates in force; or
- iii. At the rate of 5%.

The 'Specified Person' means a person who has:

- a) Not filed return of income for both of the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income prescribed under section 139 of the Act has expired; and

- b) Subjected to deduction/collection at source in aggregate amounting to Rs. 50,000/- or more in each of such two immediate previous years.

The Non-resident who does not have the permanent establishment in India is excluded from the definition of 'Specified Person'.

To comply with the requirements of the aforesaid Section 206AB, please confirm whether you fall in the category of specified person, as mentioned in the said section, in the format as per Annexure- I, which can be downloaded from the link given at the end of this communication.

**Notes:**

1. 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.
2. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned complete details/documents, Shareholder still has an option of claiming refund of the excess tax deducted at the time of filing his income tax return by consulting his tax advisor. **No claim shall lie against the Company for such taxes deducted.**
3. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
4. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being provided by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
5. Above communication on TDS sets out the provisions of Income Tax Act, 1961 as applicable in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. This communication shall not be treated as an advice from the Company. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
6. The Company will arrange to send copy of the TDS certificate at the Shareholder's registered email ID/address in due course. Shareholders will also be able to view the tax deducted at source on Dividend income paid to them by the Company from Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
7. Application of TDS rate is subject to necessary verification by the Company of the Shareholder details as available in Register of Members as on the date of AGM, and other documents available with the Company or its Registrar and Transfer Agent i.e., Alankit Assignments Ltd., Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 (India) (Contact Person: Mr. Ram Avtar Pandey, Tel. No. 011-42541955/ M-8929955318) / E-mail: [ra@alankit.com](mailto:ra@alankit.com) or [ramap@alankit.com](mailto:ramap@alankit.com) (RTA).
8. 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 Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

9. All the aforesaid requisite Annexures, Forms such 15G/15H/10F, documents /certificates/order/notification/circular, etc. issued under sections 195/196/197/197A of the Income Tax Act, 1961, Registration Certificate, Tax Residency Certificate, Lower Tax certificate, etc. can be provided to the Company addressed to Company Secretary, Bengal Assam Company Limited, Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi 110002 or at [dswain@jkm.com](mailto:dswain@jkm.com) or [ajay.tiwari@jkm.com](mailto:ajay.tiwari@jkm.com), within one month from the date of this communication and in any case not later than 10<sup>th</sup> August, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

#### OTHER IMPORTANT INFORMATION

- a) SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit/update their PAN with the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit/update their PAN with the Company or its RTA.
- b) To receive the dividend and all communications / Annual Reports / Notices in electronic mode, Shareholders holding Shares in electronic form **are requested to register/ update their complete bank details and e-mail address** with their DPs. Shareholders holding Shares in physical form are requested to submit the following documents to the Company or its RTA:
- Signed request letter which shall contain the first/sole shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), contact number and valid E-mail address;
  - self-attested copy of the PAN card and address proof (Aadhar/Voter ID Card/passport/utilitybill); and
  - Cancelled cheque leaf.

Alternatively, scanned copies of the above documents may be sent to [dswain@jkm.com](mailto:dswain@jkm.com) and/ or [rt@alankit.com](mailto:rt@alankit.com) or [ramap@alankit.com](mailto:ramap@alankit.com).

- c) Shareholders holding shares in multiple folios in physical mode are requested to apply for consolidation of their folios to the Company or RTA along with relevant share certificates.
- d) The Annexures / Forms stated in this email may be downloaded from the link [https://bengalassam.com/tax\\_decdution\\_at\\_source.html](https://bengalassam.com/tax_decdution_at_source.html)

We seek your co-operation in the matter.

Warm Regards,

**Dillip Kumar Swain**  
**Company Secretary & Compliance Officer**  
**Bengal & Assam Company Limited**