

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

15B, Hemanta Basu Sarani, 3rd Floor, Kolkata-700001

Phone No.22487685, Fax No.033 22100541.

E-mail:info@tonganitea.com, Website : www.tonganitea.com

Date: 15th July, 2025

Dear Shareholder(s),

NAME:

FLNO/DPID/CLID:

Subject: Communication of Deduction of tax at source on dividend

We are pleased to inform you that the Board of Directors of the Company has recommended payment of dividend of Rs.7.00/- per equity share of Rs.10/- each for the year ended 31st March, 2025 at its meeting held on 13th May, 2025. The dividend will be paid to the members of the Company after declaration of dividend at the Annual General Meeting of the Company convening on Friday, 1st August, 2025.

The Register of Members and Share Transfer Books will remain closed from 26th July, 2025 to 1st August, 2025 (both days inclusive) for determining the eligibility of members for payment of dividend. Payment of dividend, if approved at the Annual General Meeting, will be made to those members whose names will be on the Company's Register of Members on 25th July, 2025 and to those whose names will appear as Beneficial Owners as at the close of the business hours on 25th July, 2025 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

Pursuant to the General Circular No.20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs, the dividend will be paid electronically in the Members bank accounts. The Members holding shares in demat form are advised to keep the bank details updated with their depository participants.

Further, Securities and Exchange Board of India vide their Master Circular No.SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated for all shareholders of physical securities in listed companies to furnish PAN, Choice of Nomination, Contact details (Postal Address with PIN and Mobile Number), Bank A/c details and Specimen signature for their corresponding folio numbers. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.tonganitea.com. For any payment including dividend, interest or redemption payment made only through electronic mode with effect from April 1, 2024.

Members holding shares in Certificate Form and who have not updated their bank accounts details are requested to update bank details by submitting the complete bank particulars for ECS payment to company's email id viz. investorcare@tonganitea.com

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 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 payment of dividend.

For resident shareholders: Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during F.Y.2025-26 does not exceed Rs.10,000.

Tax at source will not be deducted in cases where a shareholder provides 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), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the website of the Company viz. www.tonganitea.com

If you have already submitted Form 15H / 15G for the financial year 2025-26, then there is no need to submit the same again.

Needless to mention, the Permanent Account Number ("PAN") will be mandatorily required. If your PAN details are available in your demat account for shares held in demat form or with RTA for shares held in physical form, then there is no need to send PAN details again to the Company.

If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

- **Insurance companies:** A declaration that they are beneficial owners of shares held;
- **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested);
- **Alternative Investment Fund (AIF) established in India:** 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.
- **New Pension System Trust:** A declaration that they are governed by the provisions of section 10(44) [SUBSECTION 1E TO SECTION 197A] of the Act along with copy of registration documents (self-attested);
- **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 - Documentary evidence that the person is covered under section 196 of the Act.

For non-resident shareholders: Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 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, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
- Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident[TRC VALID FOR FY 2023-24];
- Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- Self-declaration by the non-resident shareholder as to:
 - i. Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - ii. No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
 - iii. Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on

dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than 05.00 P.M Thursday, July 24, 2025.

SECTION 206AB OF THE ACT

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as specified persons). U/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return tax will be deducted at higher of the two rates prescribed in these sections.

"Specified person" as defined u/s 206AB(3) is someone who satisfies the following conditions:

1. A person who has not filed income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
2. The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in each of these two previous years.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a "specified person".

For all Members:

Members 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.

In view of the prevailing COVID 19 situation, only scanned copies of the aforementioned tax relief documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidence etc. will be accepted by the Company. The documents (duly completed and signed) are required to be submitted by email.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Any such tax relief documents (PAN/15G/ 15H/10F/Self Declaration Form) received through any other methods like hand delivery will not be considered to determine and deduct appropriate TDS / withholding tax.

Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Company in the manner prescribed in the Rules.

Shareholders holding shares in dematerialised mode are requested to update their records such as tax residential status, permanent account number (PAN), registered email address, mobile number and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's Registrar and Transfer Agent, viz. Niche Technologies Private Limited.

The Company is obligated to deduct tax at source based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited ("the Depositories") in case of shares held in electronic mode and from the RTA in case of shares held in physical mode and no request will be entertained for revision of TDS return.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident Individual shareholders receiving dividend upto Rs.10000 in a financial year for the Company or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted
- 10% for resident shareholders in case copy of PAN card is provided/available
- 20% for resident shareholders if copy of PAN card is not provided / not available
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted
- Lower/ NIL TDS on submission of self-attested copy of the certificate issued under section 197/195(3) of the Act.

Kindly note that the aforementioned documents in the format provided by company should be emailed to investorcare@tonganitea.com

No communication on the tax determination / deduction shall be entertained after July 24th, 2025.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

Disclaimer: This Communication is not to be treated as an advice from the Company or its affiliates or Registrars Niche Technologies Private Limited. Members should obtain the tax advice related to their tax matters from their tax professional.

We seek your co-operation in the matter.

Thanking You,

Yours faithfully,

For Tongani Tea Company Limited

Sd/-

Arindam Roychowdhury

Company Secretary

(ACS NO - 37602)

[Click here](#) to download – 15H

[Click here](#) to download – 15G

[Click here](#) to download – 10F

[Click here](#) to download – Self Declaration Form