



THE SCOTTISH ASSAM (INDIA) LIMITED

CIN: L01132WB1977PLC031175

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COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Dear Member,

We are pleased to inform you that the Board of Directors at their meeting held on 29th May, 2024 have recommended a dividend of Rs. 8/- per Equity Share of Face Value of Rs. 10/- for the financial year ended 31st March, 2024.

The dividend, as recommended by the Board, if approved by the Members at the ensuing 47th Annual General Meeting to be held on 21st September, 2024, will be credited/paid on or after 25th September, 2024:

- a. To all those shareholders holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) (collectively "Depositories") as at the close of business hours on the record date, viz. Saturday, 14th September, 2024; and
- b. To all those shareholders holding shares in physical form, as per the details provided by the share transfer agent of the Company i.e., ABS Consultant Private Limited ("RTA") to the Company, as of the closing hours on Saturday, 14th September, 2024.

As you are aware, as per Income- tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends declared, paid or distributed by a company 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 dividend at the rates applicable to each category of shareholder.

If there is any change in the information, you are requested to update your records such as tax residential status, PAN and register your e-mail address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialised form and if you are holding shares in physical mode, you are requested to furnish details to ABS Consultant Private Limited, the Registrar and Transfer Agent of the Company. The records may please be updated before the record date to ensure correct deduction of tax, if applicable.

This communication provides a brief on the applicable Tax Deduction at source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders:-

Sl. No.	Particulars	Tax Rate	Documents Required
1.	No TDS shall be deducted in the case of resident individual members, if the amount of such	NIL	Not Applicable

	dividend in aggregate paid or likely to be paid during the Financial year does not exceed Rs. 5,000.		
2.	Shareholder with valid PAN	10%	Shareholders to update / verify their PAN and residential status as per the Act, if not already done, with the Depository Participant (if shares are held in DEMAT form) and with the Share Transfer Agent i.e., ABS Consultant Pvt Ltd (if shares are held in Physical form).
3.	Any resident individual Shareholder submitting Form 15G / Form 15H	NIL	Declaration in Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) / Form 15H (for individual above the age of 60 years with no tax liability on total income) for the FY 2024-25.
4.	Shareholder not having valid PAN/ without registration of PAN	20%	Not Applicable
5.	Shareholder submitting order under Section 197 of the Act	Rate mentioned in the order	Lower/NIL withholding tax certificate for the FY 2024- 25 obtained from tax authority to be submitted to claim the lower tax rates.
6.	An Insurance Company under Section 194 of the Act.	NIL	a. Self-attested copy of PAN b. Copy of registration certificate issued by IRDAI c. Self-declaration that the shareholder has full beneficial interest with respect to the shares owned by it.
7.	Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	NIL	Self-declaration that they are specified and covered under Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN and registration certificate received from SEBI.
8.	Alternative Investment Fund (AIF) established in India	NIL	a. Self-attested copy of PAN b. Copy of registration certificate issued by SEBI c. Self-declaration that its dividend income is not chargeable under the head 'Profit and Gains of Business or Profession' and exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations.
9.	New Pension System Trust:	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the

			provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
10.	Other Resident Individual / Non-Individual member who is exempted from TDS provisions through any circular/notification issued by any statutory authority	NIL	Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card

Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. If the PAN is not as per the database of the Income-Tax Portal, it would be considered as invalid PAN and in absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.

II. Non-Resident Shareholders:

Sl. No.	Particulars	Tax Rate	Documents Required
1.	Non-resident shareholders (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is lower, provided documents are received)	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents i.e. ABS Consultant Private Limited (in case of shares held in physical mode). In order to apply the Tax Treaty rate, ALL the following documents would be required: 1) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident certifying status during Financial Year 2024-25. 2) Copy of Form 10F duly e-filled on e-filing portal of the Indian Income tax department. 3) Self-declaration from Non-resident, primarily covering the following: ➤ Non-resident is eligible to claim the benefit of respective tax treaty. ➤ Non-resident receiving the dividend income is the beneficial owner of such income. ➤ Dividend income is not attributable / effectively connected to any Permanent

			Establishment (PE) or Fixed Base in India.
2.	Submitting certificate u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the certificate	If lower/ NIL withholding tax certificate obtained from Income tax authority is submitted, tax will be withheld at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same.

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 member.

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 deducted 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://www.incometax.gov.in>

III. Other Instructions:

- a. Only scanned copy of the documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidences etc. are required to be sent vide email at absconsultant99@gmail.com on or before the 14th September, 2024. Soft copy of Form 15G/15H/10F and self-declaration are available at the Company's website www.scottishassam.com.
- b. 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.
- c. 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.
- d. Members may note that in case the tax on said dividend is deducted at a higher rate in absence of timely receipt, or insufficiency/incomplete/incorrectness 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.
- e. In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- f. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://www.incometax.gov.in> provided that valid PAN is registered with the Company/Depository Participant(s).
- g. The above communication on TDS sets out the provisions of the law in a summary only and does not purport to be a complete analysis or listing of all potential tax consequences.

Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

- h. 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 member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information / documents.

IV. Payment of Dividend:

The dividend on Ordinary Equity Shares for FY 2023-24, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as mentioned in the earlier paragraphs. The following provisions under the Act will also be considered to determine the applicable TDS rate:

A. TDS to be deducted at higher rate in case of non-filers of Return of Income

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

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

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of specified person for the purpose of Section 206AB of the Act.

B. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhar

As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose.

V. Update your Bank Account details:

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts. We seek your co-operation in this regard.

Shareholders holding shares in physical folios are requested to note that SEBI vide its Master Circular no. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/37 dated May 7, 2024 issued to the Registrar & Transfer Agents and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, as amended, has mandated that effective April 1, 2024, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode. Such payment to the eligible shareholders holding physical shares shall be made only after they have furnished their PAN, Choice

of Nomination, Contact Details (Postal Address with PIN and Mobile Number) Bank Account Details and Specimen Signature for their corresponding physical folios to the Company or the RTA on or before by **Saturday, 14th September, 2024 (upto 5.00 p.m.)**. Members holding shares in dematerialized mode are requested to update their bank details with their depository participants with whom they are maintaining their demat account.

Shareholders can send the scanned copy of above said documents through e-mail at absconsultant99@gmail.com mentioning the name of the Company in the subject line of the e-mail.

We seek your co-operation in the matter.

Thanking You,

Yours Faithfully,

For **The Scottish Assam (India) Limited**

Sd/-

Ritu Bhatler

Company Secretary & Compliance Officer