

BHATIA COMMUNICATIONS & RETAIL (INDIA) LIMITED

BHATIA'S[®]
The mobile one stop shop

CIN: L32109GJ2008PLC053336

Regd Off: 132, Dr. Ambedkar Shopping Centre, Ring Road, Surat-395002
Email: info@bhatiamobile.com, Ph: 0261-2349892
Website : www.bhatiamobile.com

Date: 29/08/2020

To,
BSE LIMITED
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

Script ID/ Code : Bhatia/540956

Subject: Communication to Shareholders - Intimation to change in Income tax rules w.r.t. Tax Deduction in Dividend.

Dear Sir/Madam,

Pursuant to the Finance Act, 2020, with effect from April, 2020, Dividend Distribution Tax is abolished, and Dividend income is taxable in the hands of shareholders. The companies are required to withhold tax at source from Dividend paid to shareholders at prescribed rates (plus applicable surcharge and cess, if any), as may be notified from time to time.

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, elaborating the process to be followed along with the necessary annexures.

This is for your information and record.

Yours Faithfully,

For **Bhatia Communications & Retail (India) Limited**


Mittal Narendrabhai Shah
Company Secretary & Compliance Officer



Place: Surat

Encl.: a/a

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Regd. Off: 132, Dr. Ambedkar Shopping Centre, Ring Road, Surat-395002

Website: www.bhatiamobile.com, E mail: info@bhatiamobile.com, Ph: 0261-2349892

Date: 25/08/2020

Folio / DP Id & Client Id No:(DP ID of Shareholders)

Dear (Name of Shareholder),

Sub: TDS on Dividend:

We wish to inform that the Board of Directors of your Company at their meeting held on June 30, 2020 have recommended a final dividend of Rs. 4/- per equity share having nominal value of Rs. 10/- each for the financial year ended on March 31, 2020.

The dividend, as recommended by the Board, subject to approval of Members at the ensuing annual general meeting, will be paid to those members who are holding equity shares of the Company, either in electronic or in physical form, as on the Record Date (to be announced in due course).

Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020 in relation to taxation of dividend, Dividend Distribution Tax ('DDT') which used to be payable by the Company is abolished, and instead, now the shareholders are liable to pay tax on the dividend income. Accordingly, the Company, in compliance with the provisions of the Income Tax Act, 1961 ('Act'), would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the tax at source as follows:

Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
With PAN	7.5%*	Update/Verify the PAN, and the residential status as per Act, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents –PurvaSharegistry (India) Private Limited (in case of shares held in physical mode).
Without PAN/ Invalid PAN	20%	N.A.
Submitting Form 15G/ Form 15H	NIL	Duly verified Form 15G or 15H (as may be applicable in duplicate) is to be furnished along with self-attested copy of PAN card. (This form can be submitted only in case the shareholder's tax on estimated total income for FY 2020-21 is Nil) The Forms can be downloaded from the link given at the

		end of this communication.
Submitting Order under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the FY 2020-21 and should cover the dividend income.
An Insurance Company as specified under Sec 194 of the Act	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested copy of PAN card and copy of registration certification issued by the IRDAI.
Mutual Fund specified under clause (23D) of Section 10 of the Act	NIL	Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate.
Alternative Investment Fund (AIF) established in India	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.

***Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid/ likely to be paid in FY 2020-21 does not exceed Rs. 5,000.**

The tax rate has been reduced from 10% with effect from 14 May 2020 until 31 March 2021 vide CBDT Press release dated 13 May 2020.

Non-Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agents - PurvaSharegistry (India) Private Limited. Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route. The declaration format can be downloaded from the link given at the end of this communication.
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	Update/Verify the PAN, legal entity status and the residential status as per the Act, if not already done, with the depositories (in case of shares held in demat

		mode) and with the Company's Registrar and Transfer Agents - PurvaSharegistry (India) Private Limited (in case of shares held in physical mode).
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder (other than investments made under FPI route)	Tax Treaty Rate	<p>In order to apply the Tax Treaty rate, ALL the following documents would be required:</p> <ol style="list-style-type: none"> 1. Self-Attested copy of Indian Tax Identification number (PAN). 2. Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2020 to March 2021 obtained from the tax authorities of the country of which the shareholder is a resident. 3. Self-declaration in Form 10F duly filled and signed. The declaration format can be downloaded from the link given at the end of this communication. 4. Self-declaration from Non-resident, primarily covering the following: <ul style="list-style-type: none"> • 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; • Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'); • Non-resident does not have a place of effective management in India. <p>Application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon completeness of the documentation and review of the same by the Company</p> <p>The declaration format can be downloaded from the link given at the end of this communication.</p>
Submitting Order u/s 197 (i.e. lower or NIL withholding)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested

tax certificate)

copy of the same. The certificate should be valid for the FY 2020-21 and should cover the dividend income.

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. 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.

The aforesaid documents, as applicable, are required to be uploaded online with PurvaSharegistry (India) Private Limited, the Registrar and Transfer Agent ("Purva") at <https://www.purvashare.com/submission-of-form-15g-15h-10f/> on or before Friday, September 04, 2020 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post Friday, September 04, 2020 shall be considered for payment of the Final Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

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. No claim shall lie against the Company for such taxes deducted.

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with RTA. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Purva at the support@purvashare.com with a copy to the Company at csbhatia@bhatiamobile.com.

Shareholders will also 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>. We seek your co-operation in the matter.

Thanking you and assuring you of our best attention at all times.

Yours sincerely,

For Bhatia Communications & Retail (India) Limited

Sd/-

Mittal Narendrabhai Shah

Company Secretary & Compliance Officer