

**SEPECIMEN EMAIL NOTICE SENT TO SHAREHOLDERS**



(H.O.: Baroda Bhavan, Alkapuri, Vadodara)  
Corporate Office: Baroda Corporate Centre, C-26, "G" Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

Ref: Folio / DP Id & Client Id No: XXXXXXXXXXXXX

Name of the Shareholder: XXXX

Dear Shareholder,

At the outset, we hope you are healthy and safe.

We take pleasure in informing you that the Board of Directors of Bank of Baroda ("Bank") at its meeting held on May 31, 2022, recommended a Dividend of INR 2.85 per equity share of face value of INR 2 each, for the Financial Year 2021-22 and the same would be payable, if approved by the shareholders at the ensuing 26<sup>th</sup> Annual General Meeting (AGM) of the Bank scheduled to be held on 27<sup>th</sup> June 2022.

The book closure date for the purpose of dividend would be from June 21, 2022 to June 27, 2022. **Hence, shareholders holding shares as of cut-off date i.e. June 20, 2022 will be eligible for Dividend.** The dividend would be paid to the eligible shareholders within a period of 30 days from the date of AGM, electronically, through various online modes to those members who have updated their bank account details or through any other permissible mode.

We accordingly write to inform you about the amendment in taxation law / rules while making the payment of Dividend.

Pursuant to provisions of the Income Tax Act, 1961 (Act), as amended by the Finance Act 2020, dividends paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of the shareholders. The Bank shall therefore be required to deduct tax at source at the time of making the payment of said dividend, at prescribed rates including applicable surcharge and cess, as notified from time to time. **Please note that this dividend will be taxable in your hands in the FY 2022-23. Thus, all the details and declarations furnished should pertain to FY 2022-23.**

This communication provides details of applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

## **SEPECIMEN EMAIL NOTICE SENT TO SHAREHOLDERS**

All the shareholders are requested to ensure that their details with reference to valid Permanent Account Number (PAN), Residential status as per the Act i.e. Resident or Non-Resident as applicable for FY 2022-23, category of their account as per the PAN, email/postal address, Bank Account Details are complete / updated, as applicable, with their account maintained with Depository Participant (in case of Shares held in dematerialised form) and in case of shares held in physical form, complete / updated with KFin Technologies Limited, the Bank's Registrar & Share Transfer Agent ( "RTA / KFin").

### **A. 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 paid/payable to them by the Bank during FY 2022-23 does not exceed Rs. 5,000. Tax deduction will be subject to the below requirements:

**Where, the Permanent Account Number (PAN) is available and such PAN is valid / operative as per the provisions of the Act:**

In accordance with Section 194 of the Act, tax shall be deducted at source from the dividend amount at rate of 10% where shareholders have registered their valid PAN with their Depository Participant or KFin and at rate of 20% for cases where the shareholders do not have PAN / have not registered their valid PAN or who have not filed their return of income and are considered non-compliant as per provisions of Section 206AB of the Act. For the purpose of compliance under Section 206AB, Bank will verify the status (i.e., whether Specified Person or not) from the Government enabled online utility for this purpose and deduct TDS accordingly.

The TDS will be deducted unless exempt under the provisions of the Act and subject to furnishing of following self-certified documents:

- i. **Insurance companies:** Documentary evidence that the provisions of section 194 of the Act are not applicable to them (self-attested PAN card and registration certificate issued by IRDAI by the competent authority with affixed stamp);
- ii. **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act (declaration form is annexed in the below link);
- iii. **Alternative Investment Fund (AIF) established in India:** 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

## SEPECIMEN EMAIL NOTICE SENT TO SHAREHOLDERS

are established as Category I or Category II AIF under the SEBI regulations. (declaration form is annexed in the below link);

- iv. **Entities Exempt under Section 10 of the Act:** In case of resident non-individual shareholders, if the income is exempt from TDS under Income Tax Act, 1961, the authorized signatory shall submit the self-declaration duly signed with stamp affixed for the purpose of claiming exemption from tax deduction at source (declaration form is annexed in the below link);
- v. **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;
- vi. **Form 15G/15H in the case of eligible Resident shareholders:** No tax shall be deducted in the case of a resident shareholder if the shareholder provides duly signed Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), provided that all the prescribed eligibility conditions are met (declaration form is annexed in the below link).
- vii. **Beneficial Ownership:** In case of equity share(s) held in the Company as a beneficiary; and are not subject to TDS under Section 196 of the Act, the person shall submit self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN Card (Format of the self-declaration form is annexed below).
- viii. **Benefit under Rule 37BA:** In case where shares are held by intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration. (Format of the declaration under Rule 37BA is annexed below).

Blank Form in respect of above stated Self declaration may be downloaded from the website of the Bank at <https://www.bankofbaroda.in/shareholders-corner/shareholders-meeting-agm-egm/26th-annual-general-meeting-2022/format-dividend> or RTA at <https://ris.kfintech.com/form15>

ix. Where a shareholder furnishes lower / nil deduction tax certificate under Section 197, TDS will be deducted as per the rates prescribed in such certificate.

### **B. For Non-Resident Shareholders:**

1. Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force plus surcharge and education cess and section 196D of the Act. As per the provisions of the Act, the tax shall be

## **SEPECIMEN EMAIL NOTICE SENT TO SHAREHOLDERS**

withheld @ 20% (plus surcharge and cess, as applicable) on the amount of dividend payable.

2. As per section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:
  - a. Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities, if available.
  - b. Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during FY 2022-23.
  - c. Completed and duly signed Self-Declaration in Form 10F;
  - d. Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder.

The format of the documents referred to in point no. (c) and (d) above can be downloaded from the website of the Bank at <https://www.bankofbaroda.in/shareholders-corner/shareholders-meeting-agm-egm/26th-annual-general-meeting-2022/format-dividend> or RTA at <https://ris.kfintech.com/form15>

The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of documents submitted by the Non-Resident shareholders.

3. Notwithstanding the above, tax shall be deducted at source/ withholding tax @20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ( "FII" ) and Foreign Portfolio Investors ( "FPI" ). Such TDS/ withholding tax rate shall not be reduced on account of the application of the lower DTAA rate, if any.
4. It is to be noted that provisions of section 206AB are applicable to non-resident shareholders who have Permanent Establishment in India. In this regard, non-resident shareholders are requested to intimate by way of a declaration in

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specified format to the Company that they don't have a Permanent Establishment in India. For the purpose of this section, the expression 'Permanent Establishment' includes a Fixed Place of business through which the business of the foreign enterprise is wholly or partly carried on in India.

5. Where a shareholder (other than FII and FPI as covered in Para B (3) above) of the Act furnishes valid lower / nil withholding tax certificate under Section 195/197 of the Act, TDS will be deducted as per the rates prescribed in such certificate.
6. 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.

### **C. For all Shareholders**

**The shareholders are requested to upload the aforementioned documents latest by 5 PM (IST), June 25, 2022 on the website of the RTA viz. <https://ris.kfintech.com/form15> and also email them at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) in order to enable the Bank to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post this date.**

**Documents received by Post or from registered email ID will only be accepted.** 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.

Shareholders may note 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, option is available to you to file the return of income as per Act and claim for a credit / appropriate refund, if eligible. No claim shall lie against the Bank for such taxes deducted. Shareholders, whose valid PAN is updated, 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/iec/foportal>. The Bank shall not be liable to entertain any request from such shareholder and the requisite steps will have to be taken by the shareholder at his / her end in consultation with the Tax Advisor.

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 against all claims, demands, penalties, losses etc. and also, provide the

**SEPECIMEN EMAIL NOTICE SENT TO SHAREHOLDERS**

Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.

Thanking you,

Yours faithfully,

For **Bank of Baroda**  
**P K Agarwal**  
**Company Secretary**