



## PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

**Registered Office:** Piramal Ananta, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai-400070.

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Date: May 31, 2024

### **Sub: Piramal Enterprises Limited - Communication in respect of Tax Deduction at Source on Final Dividend for Financial Year 2023-24**

Dear Shareholder(s),

We are pleased to inform you that the Board of Directors of the Piramal Enterprises Limited ('Company') at their Meeting held on May 8, 2024 have recommended a final dividend of Rs. 10/- per equity share of Rs. 2/- each (i.e. 500%) for the financial year 2023-24, subject to approval of the shareholders at the 77<sup>th</sup> Annual General Meeting ('AGM') of the Company to be held on Monday, July 8, 2024. The record date for the purpose of final dividend would be Friday, July 5, 2024.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source ('TDS') from dividend paid to the shareholders at the applicable rates.

The TDS rate / withholding tax rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. **Please note that since the dividend shall be finalized in the forthcoming AGM, it will be taxable to the shareholder in the FY 2024-25. Thus, all the details and declarations furnished should pertain to FY 2024-25.**

Further, according to the provisions of section 206AB of the Act, higher rates of tax would be deducted in case of payment to a specified person effective from July 1, 2021. A specified person for this section means a person who has not furnished their return of income for the previous year (FY 2022-23) immediately preceding the financial year in which tax is required to be deducted and for which the time limit for furnishing the return of income under Section 139(1) of the Act has expired and the aggregate of tax deducted at source and collected at source is rupees fifty thousand or more in the said previous year. A specified person shall not include a non-resident who does not have a permanent establishment in India or any person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

As per Section 139AA of the Act, every person who has been allotted a Permanent Account Number ('PAN') and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid / inoperative and tax shall be deducted at higher rates as prescribed under the Act. The Company will rely on the reports downloaded from the reporting portal of the income tax department for checking validity of PANs / inoperative PANs / specified persons under Section 206AB of the Act.

A non-resident shareholder who does not have permanent establishment in India is excluded from the scope of the above provision/s.

The Shareholders holding shares in physical mode are requested to note the following, with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 (subsequently amended by circulars dated 14<sup>th</sup> December, 2021, 16<sup>th</sup> March, 2023 and 17<sup>th</sup> November, 2023):

- A. In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend shall be paid only through electronic mode with effect from April 1, 2024 upon furnishing all the aforesaid details in entirety with the RTA.
- B. If a Shareholder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 1, 2024, then the Shareholder would receive all the dividends declared during that period (from April 1, 2024 till the date of updation) pertaining to the securities held after the said updation automatically.

The TDS / withholding tax provisions for various categories of shareholders along with required documents are provided below:

**For Resident Shareholders:**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any resident shareholder	10%	<p>Update the valid Permanent Account Number ('PAN') if not already done, with the depositaries (<i>in case of shares held in demat mode</i>) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited ('RTA') (<i>in case of shares held in physical mode</i>).</p> <p>No deduction of taxes in the following cases –</p> <ul style="list-style-type: none"> <li>- If dividend income to a resident individual shareholder during FY 2023-24 does not exceed Rs. 5,000/-;</li> </ul>

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		- If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same
Resident individuals submitting Form 15G/15H	Nil	Declaration in Form 15G ( <i>applicable to individual</i> ) / Form 15H ( <i>applicable to an individual who is 60 years and above</i> ) - provided that all the prescribed eligibility conditions are met.  <i>Note: All fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law.</i>
Order under Section 197 of the Act	Rate provided in the Order	Lower/Nil withholding tax certificate obtained from Income Tax Authorities.
Insurance Companies:  Public & Other Insurance Companies	Nil	Documentary evidence that the provisions of Section 194 of the Act are not applicable.
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.	Nil	Documentary evidence that the person is covered under Section 196 of the Act along with copy of self- declaration.
New Pension System Trust	Nil	Documentary evidence that the Trust covered under Section 197A(1E) of the Act.
Mutual Funds	Nil	Documentary evidence to prove that mutual fund (specified under Section 10(23D) is covered under Section 196 of the Act.
Alternative Investment Fund ('AIF')	Nil	Documentary evidence to prove that AIF is covered by Notification No. 51/2015 dated June 25, 2015

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Other resident shareholder without PAN/Invalid PAN or a person who is considered as specified person u/s 206AB	20%	Update valid PAN if not already done with depositories (in case of shares held in Demat mode) and with the RTA (in case of shares held in physical mode).
Business Trust	Nil	Documentary evidence that the provisions of Section 194 of the Act are not applicable.
Recognized Provident funds/ Approved Superannuation fund/Approved Gratuity Fund	Nil	Documentary evidence that the person is covered by Circular No. 18/2017 dated May 29, 2017

**Note:**

- a) Valid PAN will be mandatorily required.
- b) In the case of persons categorized as a specified person as per Section 206AB, tax shall be deducted at a higher rate of 20% as per Section 206AA of the Act. The list of 'specified person' for the purpose of section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department.
- c) 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.
- d) 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 Company in the manner prescribed in the Rules.

**For Non-resident Shareholders:**

<b>Category of Shareholder</b>	<b>Tax Deduction Rate</b>	<b>Exemption Applicability/ Documents required</b>
Non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)	20% OR Double Taxation Avoidance Agreement ('Tax Treaty') rate (plus applicable surcharge and cess), whichever is lower	<p>Non-resident shareholders may opt for tax rate under the Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company:</p> <ul style="list-style-type: none"><li>i. Self-attested copy of PAN, if any, allotted by the Indian Income Tax Authorities;</li><li>ii. Self-attested copy of Tax Residency Certificate ('TRC') issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status for the financial year 2024 and financial year 2025 (covering the period from April 1, 2024 to March 31, 2025)</li><li>iii. For shareholders who have PAN and proposes to claim treaty benefit, they need to mandatorily file the Form 10F online at the link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> with effect from April 1, 2023 to avail the benefit of DTAA.</li><li>iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty;</li><li>v. Self-declaration of beneficial ownership by the non-resident shareholder;</li><li>vi. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;</li><li>vii. In case of shareholder being tax resident of Singapore, proof demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Tax Treaty should be provided</li></ul> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess), if any, of the above-mentioned documents are not provided or if documents are not in order.</p> <p><b>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act</b></p>

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Order under Section 195(3)/197 of the Act	Rate provided in the Order	Lower/Nil withholding tax certificate obtained from Income Tax authorities
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
Sovereign Wealth Funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	Nil	<ul style="list-style-type: none"> <li>– Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.</li> <li>– Self-Declaration that the conditions specified in section 10(23FE) have been complied with</li> </ul>
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	Nil	Self-Declaration substantiating the fulfilment of conditions prescribed under section 10(23FE) of the Act

**Note:**

- a) The 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.
- b) In the case of persons categorized as a specified person as per Section 206AB, a higher rate of 40% (plus applicable surcharge and cess) shall apply if the non-resident has a permanent establishment ('PE') in India. For this purpose, the expression PE includes a fixed place of business through which the business of the non-resident is wholly or partly carried on. The list of 'specified person' for the purpose of section 206AB shall be obtained at the time of deduction of TDS, from the reporting portal utility made available by the Income Tax department.

## **SUBMISSION OF DECLARATIONS AND OTHER DOCUMENTS:**

The tax exemption forms viz. **Forms 15G/15H and a format of Declaration** as required to be provided by non-resident shareholders can be downloaded from the website of the Company at <https://www.piramalenterprises.com/shareholder-information>.

The aforementioned documents duly completed and signed are required to be uploaded at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>, **on or before Monday, July 1, 2024, 06:00 p.m. IST** to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

**Kindly note that no communication/documents on the tax determination / deduction shall be considered post 06:00 p.m. (IST) of Monday, July 1, 2024.**

### **General Notes:**

1. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID, post completion of all dividend related activities. Shareholders will also be able to see the credit of TDS in Form 26AS/AIS, which can be downloaded from their e-filing account at <https://www.incometaxindiaefiling.gov.in>.
2. If the tax is deducted at a higher rate in absence of receipt of, or satisfactory completeness of the aforementioned details/documents by the Company before dividend processing period, option is available with you to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall, however, lie against the Company for such taxes deducted.
3. 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.
4. All communications/queries in this respect should be addressed to RTA at its email address [peldivtax@linkintime.co.in](mailto:peldivtax@linkintime.co.in). Alternatively, you may contact the Company on the above address.
5. **Updating email ID and bank account details:**  
Shareholders are requested to ensure that their latest email ID is updated with the RTA for receiving the communication from the Company. Shareholders are requested to ensure that their bank account details are updated in their demat accounts, to enable the Company to make timely credit of dividend in their bank accounts.

To view / download Form 15G [click here](#)

To view / download Form 15H [click here](#)

To view / download NR Tax Declaration Form [click here](#)

To view / download Declaration under Rule 37BC [click here](#)

We request your co-operation in this regard.

Yours Sincerely,  
For **Piramal Enterprises Limited**

Sd/-  
**Bipin Singh**  
**Company Secretary**

*Disclaimer: This Communication shall not be treated as an advice from the Company or its affiliates or RTA. Shareholders should obtain tax advice related to their tax matters from a tax professional.*