



PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

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Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400070**

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Date: 1st June, 2021

Dear Shareholder,

Sub: Communication in respect of deduction of tax at source on Final Dividend payout

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on 13th May, 2021 has recommended final dividend of Rs. 33/- per equity share of face value of Rs. 2/- each (i.e. @ 1,650%) for the financial year 2020-21. The said dividend, if approved by the shareholders at the ensuing Annual General Meeting ('AGM') of the Company, will be payable to those shareholders whose names appear in the Register of Members of the Company or in the records of the Depositories as beneficial owners of the shares as on the Record date.

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 1st April, 2020, dividend declared and paid by the Company is 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 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 2021-22. Thus, all the details and declarations furnished should pertain to FY 2021-22.**

The TDS 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%	Update the PAN if not already done with depositories (in case of shares held in

		<p>demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode).</p> <p>No deduction of taxes in the following cases –</p> <ul style="list-style-type: none"> <input type="checkbox"/> If dividend income to a resident Individual shareholder during FY 2021-22 does not exceed Rs. 5,000/-, <input type="checkbox"/> 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.
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholder providing Form 15G (<i>applicable to any person other than a Company or a Firm</i>) / Form 15H (<i>applicable to an Individual above the age of 60 years</i>) - provided that all the prescribed eligibility conditions are met.
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	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate.
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.
New Pension System Trust	NIL	Documentary evidence that the Trust is established in India and are the beneficial owner of the share/shares held in the Company; and our income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882; and we are submitting self-attested copy of the PAN card and registration certificate, as applicable.

Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act and a self- 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	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 and 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
Other resident shareholder without PAN/Invalid PAN	20%	-

Please Note that:

- a. **Needless to mention, valid Permanent Account Number (“PAN”) will be mandatorily required. Shareholders who are required to link Aadhar number with PAN as required under section 139AA(2) read with Rule 114AAA, should compulsorily link the same by 30th June 2021. If, as required under the law, any PAN is found to have not been linked with Aadhar by 30th June 2021 then such PAN will be deemed invalid and TDS would be deducted at higher rates u/s 206AA of the Act.** The Government has not prescribed the mechanism to verify the said Aadhar linking with PAN, hence in order to comply with the provisions of the Act, Company will proceed on assumption that all shareholders are in compliance with the aforesaid provisions of the Act. However, we request you to inform us well in advance, if you have not linked your Aadhar with PAN as provided in section 139AA(2) read with Rule 114AAA. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AA in your case.
- b. Where the PAN is either not available or is invalid, tax shall be deducted at the rate prescribed as per Section 206AA of the Act or 20%, whichever is higher.
- 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.

For Non-Resident Shareholders:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Non-resident shareholders	20% (plus applicable)	Non-resident shareholders may opt for tax rate under the Tax Treaty. The Tax Treaty rate shall

(including Foreign Institutional Investors and Foreign Portfolio Investors)	surcharge and cess) or Double Taxation Avoidance Agreement ("Tax Treaty") rate whichever is lower	<p>be applied for tax deduction at source on submission of following documents to the company:</p> <ul style="list-style-type: none"> i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities; ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident; iii. Self-declaration in Form 10F (refer format), if all the details required in this form are not mentioned in the TRC; iv. Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having Permanent Establishment in India would need to comply with provisions of section 206AB of the Act). v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate. vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided or if document are not in order.</p> <p>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.</p>
Submitting Order under section 195(3)/197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note: 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.

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

- NIL for resident shareholders receiving dividend upto Rs.5,000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for other 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 relevant documents are not submitted.
- Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under section 197 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

In terms of Rule 37BA of 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 (refer format) with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

For all Shareholders:

The Forms 15G/15H/10F for tax exemption can be downloaded from the Company's website. The URL for the same is <https://www.piramal.com/investor/shareholder-information/dividend/>. All the forms are available under the head "Form 15G/15H/10F".

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. On this page the user shall be prompted to select / share the following information to register their request:

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document).

Section 206AB of the Act

Rate of TDS @ 10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1st July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to 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%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub-section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the 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
- The aggregate of TDS and TCS in his case is Rs. 50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

While your Company is awaiting the guidelines from the Government prescribing the mechanism to determine who fulfils the conditions of being a 'specified person'. Therefore, in order to comply with the provisions of the Act, and unless any mechanism is prescribed by the authorities in this regard, Company will proceed on the assumption that all shareholders are in compliance with the provisions of section 206AB of the Act. However, we request you to inform us well in advance and before cut-off date if you are covered under the definition of 'specified person' as provided in section 206AB of the Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

Please note that duly completed and signed documents need to be submitted on or before Friday, 25th June, 2021, 6:00 p.m. IST in order to enable the Company to determine and deduct appropriate TDS/Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. **No communication on the tax determination/deduction shall be considered after Friday, 25th June, 2021 6:00 p.m. IST.**

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 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 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 deduction of TDS.

All communications/queries in this respect should be addressed to Link Intime at its email address peldivtax@linkintime.co.in. Alternatively, you may contact the Company on the above address.

Shareholders shall 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>.

Further, shareholders who have not registered their email address are requested to register the same with Link Intime. Shareholders are further requested to complete necessary formalities with regard to their Bank accounts attached to their Demat account for enabling the Company to make timely credit of dividend in their respective bank account.

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

We request your co-operation in this regard.

Yours Sincerely,
For **Piramal Enterprises Limited**
Sd/-
Bipin Singh
Company Secretary

Note: Please don't reply to this email, as this email id is not monitored.