



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 16, 2023

Dear Shareholder,

Sub: Piramal Enterprises Limited - Communication in respect of tax deduction at source on Final Dividend

We are pleased to inform you that the Board of Directors of the Piramal Enterprises Limited ('Company') at their Meeting held on May 5, 2023 have recommended a final dividend of Rs. 31/- per equity share of Rs. 2/- each (i.e. 1550%) for the financial year 2022-23, subject to approval of the shareholders at the 76th Annual General Meeting ('AGM') of the Company to be held on Friday, June 30, 2023. The record date for the purpose of final dividend would be Friday, June 16, 2023 ('Record Date'). The said dividend, if approved by the shareholders at the AGM, 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 April 1, 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 / 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 2023-24. Thus, all the details and declarations furnished should pertain to FY 2023-24.**

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 depositories (<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">- If dividend income to a resident individual shareholder during FY 2023-24 does not exceed Rs. 5,000/-;- 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	<p>Declaration in Form 15G (<i>applicable to individual</i>) / Form 15H (<i>applicable to an individual above the age of 60 years</i>) - provided that all the prescribed eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law.</p>
Submitting 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 with Insurance Regulatory and Development Authority (IRDA)/ Life Insurance Corporation of India (LIC)/ General Insurance Corporation of India (GIC).
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 is established in India and are the beneficial owner of the share/shares held in

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		the Company and income is exempt 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 and registration certificate, as applicable.
Mutual Funds	Nil	Documentary evidence to prove that mutual fund 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 self-attested copy of the PAN card and SEBI registration certificate.
Alternative Investment Fund ('AIF')	Nil	Documentary evidence to prove that AIF is covered by Notification No. 51/2015 dated June 25, 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 Regulation along with self-attested copy of the PAN card and SEBI registration certificate.
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 12, 2017.

Note:

- a. Valid PAN will be mandatorily required.
- 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 (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">i. Self-attested copy of PAN, if any, allotted by the Indian Income Tax Authorities;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 during the year 2023-24;<ul style="list-style-type: none">a. For shareholders who have PAN and proposes to claim treaty benefit, they need to mandatorily file the Form 10F online at the link https://eportal.incometax.gov.in/ with effect from April 1, 2023 to avail the benefit of DTAA.iii. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty;iv. Self-declaration of beneficial ownership by the non-resident shareholder;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, proof demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Tax Treaty should be provided <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>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>

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
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
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"> - Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. - Self-Declaration that the conditions specified in section 10(23FE) have been complied with
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:

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 with Company in the manner prescribed by the Rules.

The tax exemption forms viz. **Forms 15G/15H/10F 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.piramal.com/investor/piramal-enterprises-limited/shareholder-information/dividend/>.

The aforementioned documents duly completed and signed are required to be uploaded at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>, **on or before June 09, 2023** 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 6.00 p.m. (IST) of June 09, 2023.

Section 206AB of the Act

Rate of TDS @10% under Section 194 of the Act is subject to provisions of Section 206AB of Act (effective from 1st July 2021) which provides that tax is 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 20%.

In cases where Sections 206AA and 206AB of the Act are applicable i.e. the specified person has not submitted the PAN as well as not filed the income tax return, tax shall be deducted at the higher of the rates prescribed in respective sections.

The Central Board of Direct Taxes has provided a functionality for compliance check under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said functionality to determine the applicability of Section 206AB of the Act.

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. 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.

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.

We request your co-operation in this regard.

Yours Sincerely,
For **Piramal Enterprises Limited**

Sd/-
Bipin Singh
Company Secretary

Note: Please do not reply to this email as this email id is not monitored.