



Birla Corporation Limited

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21st July, 2023

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 500335

Manager
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400 051
Scrip Code: BIRLACORPN

Dear Sirs,

Sub: **Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Ref: **Communication to Shareholders on deduction of tax at source on dividend**

In terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, with effect from 1st April, 2020, dividend income is taxable in the hands of the Shareholders.

In this regard, please find enclosed herewith a copy of the communication regarding deduction of tax at source on dividend which has been sent to the Shareholders of the Company.

This communication along with the Annexures is also available on the website of the Company at www.birlacorporation.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For **BIRLA CORPORATION LIMITED**

(MANOJ KUMAR MEHTA)
Company Secretary & Legal Head

Encl: As above



BIRLA CORPORATION LIMITED

CIN: L01132WB1919PLC003334

Birla Building, 9/1, R.N. Mukherjee Road, Kolkata – 700 001

Ph:033-66166729/6737, Fax:033-22487988/2872

E – mail: investorsgrievance@birlacorp.com

Website: www.birlacorporation.com

Dated: 20th July, 2023

Name of Shareholder: <Shareholder>,

Folio No. / DPID & Client ID No. : <Folio>

Dear Shareholder,

We hope this communicate finds you and your family safe and in good health.

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on 9th May, 2023 has recommended a dividend of ₹2.50/- per equity share (i.e. 25%) having nominal value of ₹10/- each for the financial year ended 31st March, 2023, subject to approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend, as recommended by the Board, if approved at the ensuing AGM, will be paid to shareholders holding equity shares of the Company, either in dematerialised or in physical form on record date (to be announced in due course).

As you are aware, as per the provisions of the Income Tax Act, 1961 ('the Act') as amended, dividend income is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the rates applicable depending upon the status and category of the shareholders at the time of making the payment of the said dividend.

Please note that this dividend will be taxable in your hands in the FY 2023-24. Thus, all the details and declarations furnished should pertain to FY 2023-24.

This communication summarizes the applicable Tax Deduction at Source (TDS) provisions, as per the Act for various categories of shareholders along with required documents provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	10%	No deduction of taxes in the following cases - <ul style="list-style-type: none">• If dividend income to a resident Individual shareholder during FY 2023-24 does not exceed INR 5,000/-.• Submitting declaration in Form No. 15G (applicable to Individual) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling all the required eligibility conditions. Format of Form 15G and Form 15H can be downloaded from the link given at the end of the communication.• In case PAN is not furnished / found to be invalid/

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
		not linked with Aadhaar*, the rate of deduction of tax shall be 20% (Section 206AA).
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and PAN card along with self-declaration that the mutual fund are notified mutual fund under Section 10(23D) of the Act.
Insurance Companies: Public & Other Insurance Companies	NIL	Self-attested copy of documentary evidence that the provisions of Section 194 of the Act are not applicable along with self-attested copy of registration certificate and PAN card.
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 Corporation is covered under Section 196 of the Act along with self-attested copy of PAN card.
Shareholder submitting Order under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities along with self-attested copy of PAN card.
Alternative Investment Fund (AIF)	NIL	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. Self-attested copy of registration documents and PAN card should be provided.
Other resident shareholder without PAN/Invalid PAN/ Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income-Tax department (refer detailed note on Section 206AB below)	20%	Shareholders should update the PAN if not already done with depositories (in case shares are held in demat mode) and with the Company's Registrar & Share Transfer Agent (in case shares are held in Physical mode) by following the stipulated process mentioned under the head ' UPDATION OF PAN, KYC, NOMINATION AND OTHER DETAILS '.
New Pension System trust established u/s 10(44)	NIL	Self-attested copy of documentary evidence supporting the exemption status along with self-attested copy of PAN card and a declaration.

*As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, is required to link the PAN with Aadhaar, failing which the PAN shall be deemed to be inoperative. Hence, if any shareholder's PAN has become inoperative due to its non linking with Aadhaar, tax at

source will be deducted at higher rates as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for validating AADHAR-PAN Linking status.

Table 2: Non-Resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
<p>Any non-resident shareholder/ Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI) under Section 195/196D</p>	<p>20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower</p>	<p>Non-resident shareholders / FII / FPI may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company:</p> <ol style="list-style-type: none"> i. Copy of the PAN Card, if any, allotted by the Indian authorities. ii. Self-attested copy of Tax Residency Certificate (TRC) valid as on the record date obtained from the tax authorities of the country of which the shareholder is resident. iii. Electronically generated Form 10F from the <u>Income Tax Portal, Government of India Login Page</u> for non-resident possessing PAN and in case of non-resident not possessing PAN & not required to have a PAN, a hard copy of duly executed Form 10F along with a declaration (format can be downloaded from the link given at the end of the communication) that the shareholder is not required to have a PAN as per the provisions of the Act read along with Rules, needs to be submitted. iv. Self-declaration from Non-resident for the financial year April 2023 to March 2024, primarily covering the following: (Format can be downloaded from the link given at the end of the communication) <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 or any business connection in terms of section 9(1) of the Act. v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate. <p>TDS shall be deducted at 20% (plus applicable surcharge</p>

		<p>and cess) if any of the above-mentioned documents are not provided / found to be not valid.</p> <p>The Company is not obligated to automatically 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 and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.</p> <p>Further, in terms of CBDT Circular 3/2022, benefit of 'Most Favoured Nation' Clause, if available, in any respective Tax Treaty shall not be considered for the purpose of determining the withholding amount.</p>
Shareholders 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, along with self-attested copy of PAN card.
Sovereign Wealth Fund, Pension Funds, Other bodies notified under section 10(23FE) of the Act	NIL	Self-Declaration substantiating the fulfilment of conditions prescribed under Section 10(23FE) of the Act.
Shareholders identified as 'specified persons' for the purpose of higher deduction of tax as per 'Compliance Check Facility' made available by the Income-tax department (refer detailed note on Section 206AB below)	<p>Twice the rate specified in the relevant provision of the Act; or –</p> <p>Twice the rate or rates in force; or</p> <p>–</p> <p>At the rate of 5%</p> <p>Whichever is higher</p>	Non-resident shareholder may file a declaration confirming that they do not have any fixed place of business in India.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on dividend payment to such shareholder.

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.

Kindly note that the aforementioned documents are required to be mailed to the Company at tds@birlacorp.com on or before **18th August, 2023** (cut-off date) in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax

determination/deduction shall be considered post cut-off date. The Company reserves the right to reject the documents in case of any discrepancy or if the documents are found to be incomplete.

Further, in compliance to National Securities Depository Limited (NSDL) Circular dated 11th January, 2023, the Resident Non-Individual Members such as Insurance Companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members such as Foreign Portfolio Investors can also submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines.

It may be further noted 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, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

TDS to be deducted at higher rate in case of non-filers of Return of Income under section 206AB of the Act.

The Finance Act, 2021, has inter alia inserted the provisions of Section 206AB of the Act with effect from 1st July, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act (i.e. 20%); or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The 'specified person' means a person who satisfies the following criteria cumulatively:

- a. who has not filed return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- b. The aggregate amount of tax deducted and tax collected at source is ₹50,000 or more in the aforesaid previous year.

As per Central Board of Direct Taxes Circular No. 11 of 2021 dated 21st June, 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income Tax department to determine the applicability of Section 206AB of the Act.

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

In cases where sections 206AA and 206AB are applicable, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

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 send a duly signed declaration with details of actual beneficial in excel sheet as per Annexure-A (Formats can be downloaded from the link given at the end of the communication) to tds@birlacorp.com in the manner prescribed in the said Rules. Declaration should be filed within 7 days of record date for the purpose of payment of Dividend. **Declaration filed after the said period would not be entertained by Company.**

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.

UPDATION OF PAN, KYC, NOMINATION AND OTHER DETAILS:

Shareholders holding shares in demat mode are requested to update their PAN, Bank Account details, Mobile Number, E-mail ID, Address, Residential Status, Category, Nomination and other details with their relevant depositories through their depository participants.

Shareholders holding shares in physical form and who have not updated their PAN, KYC details and Nomination details are requested to submit respective Form ISR-1, ISR-2, SH-13/ ISR-3, SH-14 ([Forms downloading link](#)) with the Company's Registrar & Share Transfer Agent i.e. MCS Share Transfer Agent Ltd. at 383 Lake Garden, 1st Floor, Kolkata-700045. Shareholders may contact the RTA at their email id: mcssta@rediffmail.com or with the Company at email id: investorsgrievance@birlacorp.com for any clarification/information in the matter.

We seek your cooperation in this regard.

Yours Sincerely,

For **BIRLA CORPORATION LIMITED**

Sd/-

Manoj Kumar Mehta
Company Secretary & Legal Head

[Click here](#) to download - 15H

[Click here](#) to download - 15G

[Click here](#) to download – Format of 10F

[Click here](#) to download – Declaration for No-PAN

[Click here](#) to download - Self declaration by Non-Resident

[Click here](#) to download - Format under Rule 37BA

[Click here](#) to download – Annexure-A Rule 37BA

Note: Please mention DP ID/ Client ID or Folio number in all future communication.

***Disclaimer:** This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.*

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