



PM/BSE/25/2024-25

Date: September 12,2024

To,
The Manager
BSE Limited
Bombay Stock Exchange,
P. J. Towers, Dalal Street,
Mumbai-400001.

Script Code: 522105

Subject: Communication to Shareholders in respect of Tax Deduction at Source on Final Dividend for Financial Year 2023-24.

Dear Sir/Madam,

Pursuant to the Finance Act, 2020, with effect from April 01, 2020, dividend income is taxable in the hands of Shareholders. In view of the same, please find enclosed herewith an email communication that has been sent to all Shareholders whose email addresses are registered with the Company/Depositories explaining the process on withholding tax from dividends at prescribed rates, as may be applicable, along with the necessary annexures.

The communication shall also be placed on the Company's website at <https://www.birlaprecision.com/>

We request you to kindly take the below mentioned information on record.

Thanking You.

Yours faithfully,

For Birla Precision Technologies Limited

Ishu Jain
Company Secretary & Compliance Officer
M.No.: F10679

Birla Precision Technologies Limited

Regd. Office: 23, Birla Mansion No. 2, 1st Floor, D. D. Sathe Marg, Prarthana Samaj, Mumbai 400 004

Tel.: +91 022-23867498

E-mail : info@birlaprecision.com **Website :** www.birlaprecision.com

An ISO 9001:2000 & ISO 14001:2004 **Company CIN:** L29220MH1986PLC041214



Birla Precision Technologies Limited

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**COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND
DISTRIBUTION**

Date: September 12,2024

Dear Shareholder,

Dividend Income on equity shares is taxable in the hands of shareholders w.e.f. April 1, 2020 in accordance with the provisions of the Income Tax Act, 1961 ('the Act') and the Company shall therefore be required to deduct tax deducted at source (TDS) at the time of making the payment of the said Dividend.

TDS rate that are applicable to shareholder depend upon their residential status and the documents submitted by them and accepted by the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Resident shareholders (With PAN)	As per Section 194 of the Act - 10%	Update/Verify the PAN, and the residential status as per the Act if not already done, with the depositories/ depository participants ("DPs") (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents - Kfin Technologies Limited (in case of shares held in physical mode) by sending a request on or 17/09/2024

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Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		<p>If shareholder is classified as "specified person" as per the provision of Section 206AB, tax will be deducted at the higher of the following rates:</p> <ol style="list-style-type: none"> 1) Twice the rate specified in the relevant provision of the Act; or 2) Twice the rate or rates in force; or 3) The rate of 5%. <p><i>Specified person is a person –</i></p> <ol style="list-style-type: none"> a) Who has not filed the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and ; and b) the aggregate of tax deducted at source and tax collected at source in whose case is rupees fifty thousand or more in the above referred previous year <p>For the purpose of identifying whether shareholder is "Specified Person" as per the provisions of Section 206AB, the tax department has started functionality check on the Income-tax Reporting Portal. The Company will be relying on the information verified by the utility available at the Reporting Portal of the Income Tax website.</p>
No deduction of TDS in the following cases -		
<ul style="list-style-type: none"> • If aggregate dividend paid or likely to be paid to a resident Individual shareholder during FY 2024-25 does not exceed INR 5,000 		
<ul style="list-style-type: none"> • 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 (Annexure 1a) (applicable to any person other than a Company or a Firm) / Form 15H (Annexure 1b) (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. PAN is mandatory to provide Form 15G/15H.

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Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		Shareholders are requested to submit Form 15G/15H considering the dividend already paid in FY 2024-25
Order under Section 197 of the Act	Rate provided in the Order	Self-attested copy of certificate for Lower/NIL deduction of TDS obtained from the 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 (Annexure 2)
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. (Annexure 2)
Mutual Funds	NIL	Self-declaration that they are specified in Section 10 clause (23D) of the Income Tax Act, 1961 along with self- attested copy of PAN card and registration certificate (Annexure 2)
Alternative Investment Fund (AIF) established in India	NIL	Documentary evidence that the AIF is covered by Notification No. 51/2015 dated 25 June 2015 (OR) Self declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate (Annexure 2)
Recognized Provident Fund	NIL	Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 needs to be submitted. (Annexure 2)
Approved Superannuation Fund	NIL	

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Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Approved Gratuity Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted: a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) (Annexure 2)
National Pension Scheme Trust	NIL	No TDS is required to be deducted as per Section 197A(1E) of the Act
Other resident shareholder without PAN/Invalid PAN	20%	As per Section 206AA of the Act

Please note that:

1. Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act. In case the shareholder with PAN is identified as specified person under Section 206AB or shareholders who have not linked PAN with Aadhaar on or before 30th June 2023 or any other date as may be specified by CBDT, higher rate of TDS as applicable shall be deducted.
2. 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.
3. In case, dividend income is assessed/taxable in the hands of a person other than the shareholder and TDS is applicable on such dividend, then such shareholder should file declaration with Company in the manner prescribed in Rule 37BA of Income Tax Rules.

Table 2: Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any non-resident shareholder [other than Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]	As per Section 195 of the Act - 20% (plus applicable surcharge and cess) subject to applicable Treaty rate	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty") read with Multilateral Instrument ("MLI") provisions. The Tax Treaty rate shall be applied for

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Category of shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		<p>tax deduction at source on submission of following documents to the Company:</p> <ul style="list-style-type: none"> • Self-attested Copy of the PAN Card • Self-attested copy of valid Tax Residency Certificate (TRC) (April 2024- March 2025) obtained from the tax authorities of the Country of which the shareholder is resident • Self-declaration in Form 10F. (Annexure 3) • Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit read with MLI provision, if any and do not / will not have place of effective management in India. (Annexure 4) • Declaration to establish the genuineness of applicability of treaty provisions including provisions of General Anti-Avoidance Rules and Multilateral Instruments, if any <p>Tax shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided and dividend already paid in the FY 2024-25</p>

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Category of shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		will also be considered for determining the surcharge.
FIIs / FPIs	Section 196D of the Act - 20% (plus applicable surcharge and cess) subject to applicable Treaty rate	<ul style="list-style-type: none"> • For treaty relief as per the amended provisions of Section 196D of the Act, kindly provide all documents as stated above else tax shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided and dividend already paid if any in the FY 2024-25 will also be considered for determining the surcharge. • Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agent ("RTA"), as the case may be • Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route • Self-attested copy of SEBI Registration certificate

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Category of shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Submitting Order under Section 195 /197 of the Act	Rate provided in the Order	Self-attested copy of Lower/NIL withholding tax certificate obtained from Income Tax authorities

Please Note that:

1. 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.
2. Kindly note that the Company is not obligated to apply beneficial tax treaty rates read with MLI provision at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

To view / download the Annexure as applicable visit <https://ris.kfintech.com/form15>

Kindly note that the aforesaid documents as explained in the Tables 1 and 2 above are required to be submitted to the Registrar at email ID: inward.ris@kfintech.com on or before **17th September 2024**, 23:59 hrs IST in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered from **18th September 2024** It is advisable to upload/send the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

It may be further noted that in case the tax on said Dividend is deducted at a higher rate in the 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.

No claim shall lie against the Company for such taxes deducted.

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.

Shareholders 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>

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Above communication on TDS sets out the provisions of Income-tax Act, 1961 as applicable in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

UPDATION OF BANK ACCOUNT DETAILS:

Shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts. We seek your cooperation in this regard.

Shareholders holding shares in physical folios are requested to take note that SEBI vide circular dated November 17, 2023 has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details to mitigate unintended challenges on account of freezing of folio. Further, SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that with effect from April 1, 2024, dividend to Shareholders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature to Registrar and transfer Agent.

We request your cooperation in this regard.

Thanking you

For Birla Precision Technologies Limited

Sd/-

Ishu Jain
Company Secretary & Compliance Officer

Note: This is a system generated e-mail. Please do not reply to this email.

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