



Birla Corporation Limited

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25th July, 2024

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 973788/954744/954925

Dear Sirs,

Sub: Communication to Debenture holders on deduction of tax at source on payment of interest

In terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2023, with effect from 1st April, 2023, interest paid on Debentures issued by the Company shall be taxable in the hands of the Debenture holders.

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

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

The communication was sent to the debenture holders today at 4.28 p.m.

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

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Dear Debentures holders(s),

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

This refers to the investment made by you in Rated, Listed, Secured, Redeemable Non-Convertible Debentures (NCD) issued by the Company. In this regard, please note that interest on the same will be paid to those Debenture holders whose name appears in the list of NCD holders as on record date.

Pursuant to the amendment in Section 193 of the Income Tax Act, 1961 ('the Act'), payment of Interest on listed NCD will attract Tax Deducted at Source (TDS). Accordingly, the Company would be required to deduct TDS at the prescribed rates under Section 193 of the Act on the interest payments i.e. on credit or payment basis, whichever is earlier. Therefore, TDS on interest accrued upto respective record dates and upto the last day of financial year will be deducted in the hands of NCD holders whose name appears in the list of NCD holders as on the respective record dates and last date of financial year, respectively.

This communication summarizes the applicable TDS provisions in accordance with the provisions of the Act and the documents to be submitted by the investors for claiming exemption from TDS, if any applicable to them for various categories as given below.

Resident Debenture holders

Sl. No.	Particulars	Relevant Section which grants TDS exemption	Certified /Self certified copy of documents to be taken on record date and as on last day of the financial year from Investors
	A	B	C
1	Resident Individual/ HUF	Clause (v) of Proviso to Section 193	No deduction of taxes if interest income to a resident Individual or HUF during the Financial Year 2024-25 does not exceed INR 5,000/-.
2	Debenture holders submitting valid Form 15G/ Form 15H	Section 197A	Debenture holder submitting valid declaration in Form No. 15G (applicable to person other than company or firm) / Form 15H (applicable to an Individual who is 60 years or more), 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. 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 the law.

3	<p>Life Insurance Corporation of India, General Insurance Corporation of India,</p> <p>Any 4 companies formed by virtue of schemes framed u/s. 16(1) of General Insurance business (Nationalisation) Act 1972.</p> <p>Any company in which GIC and aforesaid companies have full beneficial interest.</p> <p>Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)</p>	Clause (vi), (vii) & (viii) of Proviso to Section 193	<p>Copy of Registration and/ or Exemption Certificate under the Act.</p> <p>Copy of Shareholding pattern (wherever applicable).</p>
4	Government, RBI or a 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	Section 196(i), (ii) and (iii)	Copy of the Registration and/or Exemption Certificate and declaration that their income is exempt from tax with applicable provisions.
5	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI (under SEBI Act 1992 (15 of 1992) or regulation made thereunder and declaration that their income is exempt u/s 10(23D).
6	Where the income of debenture holder is unconditionally exempt u/s. 10 of the Act and debenture holder is not required to file a return of income u/s. 139 of the Act	In terms of CBDT Circular No. 18/2017. (copy provided at the end of the communication).	Copy of Registration and/or Exemption certificate issued by relevant statutory authorities and income-tax authorities, respectively and Declaration from the NCD holder that their income is exempt u/s 10.
7	Alternative Investment Fund	Notification 51/2015 dated 25th June, 2015	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25th June, 2015.
8	Debenture holder submitting order u/s 197 of the Act	Section 197	Copy of Order u/s. 197 (exemption/lower deduction certificate) obtained from the income tax authorities and Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income alongwith copy of PAN.

In case of non-furnishing of PAN / Invalid PAN / PAN not linked with Aadhaar, the rate of deduction of tax on resident debenture holder shall be 20% (Section 206AA).

For Non Resident Debenture holders TDS rates are as under:

Class of Investors	TDS rates	Documents to be taken on record from Investors
A	B	C
Any Non-Resident debenture holder /Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI) under section 195/196D	20% (plus applicable surcharge and cess) or Tax Treaty Rate whichever is lower	<p>Non-Resident debenture holders / 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"> Copy of the PAN Card, if any, allotted by the Indian authorities. 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 debenture holder is resident. Form 10F filed on income tax portal at https://eportal.incometax.gov.in/ Self-declaration from Non-resident for the current financial year, 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 interest income is the beneficial owner of such income. ➤ Interest 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. 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 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 interest amounts.</p>

		<p>Application of Tax Treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident debenture holders.</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>
Debenture holder 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.

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

Debenture holders 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 interest payment to such debenture holder.

Please note that in case of investors identified as **specified person** as per Section 206AB (non-filers of IT Return w.e.f July 2021), tax deduction will be applicable at higher of the following rates:

- Twice the rate specified in the relevant provision of the Act; or –
- Twice the rate or rates in force; or –
- At the rate of 5%

Specified person means a person who satisfies both the following conditions:

- a. He has not furnished the return of income for the assessment year relevant to the previous year (whose return filing date u/s. 139(1) has expired) immediately preceding the financial year in which tax is required to be deducted/collected.
- b. Aggregate of TDS and TCS is Rs. 50,000 or more in that previous year.

Note: Specified person does not include a non-resident who does not have a permanent establishment in India for which a declaration is required to be provided 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.

Further, in case PAN is not furnished /found to be invalid/ not linked with Aadhaar (as the case may be), the rate of deduction of tax shall be 20% in terms of Section 206AA.

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

Further, in compliance to National Securities Depository Limited (NSDL) Circular dated 5th May, 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 as aforesaid through their respective custodians who are registered with NSDL for tax services, on or before below mentioned timelines.

In terms of Rule 37BA of the Income Tax Rules, 1962, if interest 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 (Format can be downloaded from the link given at the end of the communication) to **dtlds@birlacorp.com** in the manner prescribed in the said Rules. Declaration should be filed within 7 days of respective record dates and last day of financial year, respectively. Declaration filed after the said period would not be entertained by Company.

Kindly note that the aforementioned documents are required to be mailed to the Company at **dtlds@birlacorp.com** within cut-off date i.e., 7 days from the respective record date and last date of financial year, respectively failing which tax may be deducted at normal rates. No communication on the tax determination/deduction shall be considered 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. On deduction of tax 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 tax deducted.

Debenture holders holding debentures 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.

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

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 – Form 15G

[Click here](#) to download – Form 15H

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

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

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

[Click here](#) to download – Circular 18/2017

Note: Please mention DP ID/ Client ID 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 interest payment. Debenture holders should consult their tax advisors for requisite action to be taken by them.*

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