

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(CIN: L15100TN1951PLC000640)

Registered Office: Dalmiapuram, Distt. Tiruchirappalli, TN 621651

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June 17, 2026

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

Dear Shareholder,

The Board of Directors of the Company at its meeting held on May 05, 2026 has recommended a final dividend of Rs. 1.50- per equity share of Rs. 2/- for the financial year 2025-26. The final dividend, if declared by the shareholders at the ensuing 74th Annual General Meeting will be paid after deduction of Tax at Source ("**TDS**").

As you are aware, as per the Income Tax Act, 2025 ("**the Act**"), dividends paid or distributed by a company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of said final dividend.

This communication provides a brief of the applicable **TDS** provisions under the Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders –

Tax is required to be deducted at source under Section 393(1) [Table: SI No. 7] of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN or have not registered their valid PAN details in their account, or the PAN has become inoperative, TDS at the rate of 20% shall be deducted under Section 397(2) of the Act.

a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if -

- i. Total dividend amount to be received by them during the Financial Year 2026-27 does not exceed Rs. 10,000/-; or
- ii. The shareholder provides Form 121, provided that all the required 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. The format of Form 121 is enclosed as **Annexure 1**.

- iii. Exemption certificate u/s 395(1) is obtained from the Income-tax Department, if any.

Note:

1. **Registration of the Permanent Account Number (PAN) in Demat Account/with the Company for the registered Folio/DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 397(2) of the Act.**
2. **Shareholders are requested to ensure Aadhar number is linked with PAN, as per the timelines prescribed, failing which, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%.**
3. **Shareholders shall submit fresh Form 121 for further dividend to be received during the Financial Year 2026-27.**

b. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as below:

- i. **Insurance Companies:** Self declaration (as per the format attached in **Annexure 2**) that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
- ii. **Mutual Funds:** Self-declaration (as per the format attached in **Annexure 2**) that it is registered with SEBI and is notified under Schedule VII (Table Sl. No. 20/21) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self-declaration (as per the format attached in **Annexure 2**) that its income is exempt under Schedule V (Table: Sl. No. 1) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Schedule VII (Table: Sl. No. 41) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- v. **IFSC Units of a Finance Company, Finance unit and Broker Dealer opting to claim deduction u/s 147 of the Act (Section 80LA of the Income-tax Act, 1961):** Self-attested copy of PAN and Self-declaration in Form 1 (**Annexure 3**) in accordance with the notification no. 28/2024 dated 07 March 2024 issued by CBDT.

- vi. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card
- C. In case, shareholders (both individuals or non-individuals) provide certificate under Section 395(1) of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

II. For Non-resident Shareholders -

- a. Taxes are required to be withheld in accordance with the provisions of Section 393 of the Act, as per the applicable rates. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them (other than Specified Funds).
- b. TDS is required to be deducted at the rate of 10% (plus applicable surcharge and cess) in case of Specified Funds referred under Schedule VI (Note 1(g)) in terms of Sec. 393(2) (Table: Sl. No. 16) of the Act and in case of GDR holders in terms of Sec. 393(2) (Table: Sl. No. 13) of the Act.
- c. In case, non-resident shareholders provide a certificate issued under Section 395(1) of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.
- d. Further, as per Section 159 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) read with Multilateral Instrument ('MLI'), if applicable between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:
 - i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (f) Tax Identification Number of the residency country (format attached herewith as **Annexure 4**).
 - ii. Self-attested copy of Tax Residency Certificate (TRC) (for the period April 2026 to March 2027) obtained from the tax authorities of the country of which the shareholder is a resident.
 - iii. Copy of electronically filed Form 41 on Income Tax Portal.
 - iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the period April 2026 to March 2027) (format attached herewith as **Annexure 5**).
 - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors 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).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit r.w. MLI, if applicable including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA r.w. MLI, if applicable 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.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, **we request you to provide the details and documents as mentioned, above, on or before July 03, 2026 (Cut-off date). Any documents submitted after the cut-off date will not be considered by the Company.**

PAYMENT OF DIVIDEND

The Final dividend for FY 2025-26, if declared by the members, will be paid after deducting the tax at source as under:

A. FOR RESIDENT SHAREHOLDERS:

- Nil withholding in case of individual where the total dividend paid during the FY 2026-27 is up to Rs. 10,000/-. Where aggregate dividend exceeds Rs.10,000/- for the FY 2026-27, withholding shall be done at the rate of 10% (where PAN is available)/ 20% (where PAN is not available/invalid PAN/ inoperative PAN)
- Nil withholding for resident shareholders in case Form 121 is submitted along with self-attested copy of the PAN linked to Aadhar. Please note that the duly filled up form submitted through your registered email ID will also be accepted.
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 395(1) of the Act.
- 10% for resident shareholders in case PAN is provided / available (subject to above)
- 20% for resident shareholders in case PAN is not provided / not available/ invalid PAN (subject to above).

B. FOR NON-RESIDENT SHAREHOLDERS:

- Beneficial tax treaty rate (based on tax treaty with India r.w. MLI, if applicable) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 395(1) of the Act.
- 10% plus applicable surcharge and cess for GDR holders if they provide self-attested copy of the PAN card in accordance with provisions of Section 393(2) (Table: Sl. No. 13) of the Act.
- 10% (plus applicable surcharge and cess) in case of Specified Funds referred under Schedule VI (Note 1(g) of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the above-mentioned documents are not submitted.

C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:

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.

SUBMISSION OF TAX RELATED DOCUMENTS:

- **Resident Shareholders**

The aforesaid documents such as Form 121, documents under section 393(5) etc. can be uploaded on the link <https://ris.kfintech.com/form15> on or before **July 03, 2026** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post July 03, 2026 shall not be considered.**

Resident Shareholders can also send the scanned copies of the documents mentioned above at einward.ris@kfintech.com

- **Non-Resident Shareholders**

Shareholders are requested to send the scanned copies of the documents mentioned above at einward.ris@kfintech.com

These documents should reach us **on or before July 03, 2026** in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax determination / deduction shall be entertained post **July 03, 2025**. 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 the shareholder, there would still be an option available with them to file the return of income and claim an appropriate refund, if eligible.

UPDATION OF BANK ACCOUNT DETAILS:

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

*In terms of Rule 203 of Income Tax Rules 2026 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules. (format attached herewith as **Annexure 6**)*

Thank you,

With warm regards,
For Dalmia Bharat Sugar and Industries Limited

Sd/-
Rachna Gorla
Company Secretary
FCS 6741

Disclaimer: This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent

