

## UNITED BREWERIES LIMITED

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Corporate Identity Number: L36999KA1999PLC025195

July 15, 2022

Dear Member,

We are pleased to inform you that the Board of Directors of the Company at its meeting held on April 26, 2022, have declared a dividend of Rs.10.50 per equity share of face value of Re.1 each (i.e.,1050%) for the financial year 2021-2022. The said dividend will be payable to those Shareholders/Members, 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 at the close of business hours on Wednesday, August 3, 2022.

In accordance with the provisions of the Income-tax Act,1961 ("IT Act") as amended by and read with the provisions of the Finance Act, 2020, with effect from April 01, 2020, dividends declared and paid or distributed by the Company is taxable in the hands of members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates.

This communication summarizes applicable TDS provisions, as per the Income Tax Act, 1961, for Resident and Non-Resident shareholders.

The Company requests all the Members to kindly update the details mentioned herein in their respective demat account(s) maintained with the Depository Participant(s) ("DP") for equity shares held in demat mode or with the Registrar and Share Transfer Agent of the Company-**Integrated Registry Management Services Private Limited** ("RTA"), in case of equity shares held in physical form, on or before August 3, 2022, if not already done, as the same would be used for the purpose of complying with the applicable TDS provisions and filing of statement of specified financial transactions in terms of section 285BA(1) of the IT Act:

1. Valid PAN
2. Residential status as per the IT Act
3. Category of the Members
4. E-mail address
5. Residential address

Details of TDS which would be applicable on the Final Dividend are as follows:

### **For Resident Shareholders:**

Category of Shareholder/Member	Tax Rate (TDS)	Documents Required
Individual Members whose PAN is registered with Depositories or Company's RTA and not covered by the provision of Section 206AB of the IT Act	Nil, if dividend does not exceed Rs.5,000 or if Form 15G / 15H is provided  TDS @ 10%, if dividend exceeds Rs.5,000 or if Form 15G/ 15H is not provided	No TDS will be done for individual Members in case Form 15G (for individuals)/ Form 15H (for individuals above the age of 60) if specified, conditions are fulfilled and duly filled up in all respects is submitted along with self-attested copy of PAN card  <i>Please 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 requirements of the IT Act and rules made thereunder</i>

Category of Shareholder/ Member	Tax Rate (TDS)	Documents Required
Non-Individual Members whose PAN is registered with Depositories or company's RTA and not covered by the provision of Section 206AB of the IT Act and not having any exemption	10%	Not applicable
Members whose PAN is not registered with Depositories or company's RTA or Members covered by Section 206AB of the IT Act (please refer below with regard to applicability of section 206AB)	20%	Not applicable
Members who submit the lower deduction certificate under section 197 of the IT Act	Rate specified in the certificate	Lower / Nil withholding tax certificate obtained from the tax authority.
Mutual Funds covered under Section 196(iv) of the IT Act read with Section 10(23D) of the IT Act	Nil	a. Self-declaration stating that the member is: <ul style="list-style-type: none"> <li>• Mutual Fund as specified in Section 10(23D) of the Income-tax Act, 1961 and</li> <li>• Covered by Section 196(iv) of the IT Act and;</li> <li>• has full beneficial interest with respect to the shares owned</li> </ul> b. Self-attested copy of registration certificate c. Self-attested copy of PAN
Insurance companies covered by 2 <sup>nd</sup> proviso to Section 194 of the IT Act	Nil	a. Self-declaration stating that the member has full beneficial interest with respect to the shares owned and; b. Self-attested copy of registration certificate c. Self-attested copy of PAN
Category I & II Alternate Investment Fund ("AIF") covered by Notification no. 51/ 2015 dated 25th June 2015	Nil	a. Self-declaration stating that the member is: <ul style="list-style-type: none"> <li>• Category I or Category II Alternative Investment Fund and is regulated by the Securities and Exchange Board of India</li> <li>• Covered by Notification no. 51/2015 and exempt under section 10(23FBA) of the IT Act and</li> <li>• has full beneficial interest with respect to the shares owned</li> </ul> b. Self-attested copy of SEBI Registration AIF certificate c. Self-attested copy of PAN
Other Members whose income is unconditionally exempt (eg: entities under section 10 of the IT Act and covered by the Central Board of Direct Taxes circular no. 18/2017 dated 29th May, 2017, Central/ State Government, etc)	Nil	a. Self-declaration stating that the member is: <ul style="list-style-type: none"> <li>• Unconditionally exempt under Section 10 of the Income-tax Act, 1961 ("Act") and statutorily not required to file its Return of income as per Section 139 of the IT Act/ is</li> </ul>

Category of Shareholder/ Member	Tax Rate (TDS)	Documents Required
		<p>a Government Department/ Reserve Bank of India</p> <ul style="list-style-type: none"> <li>• Covered under the relevant notification/ circular</li> <li>• has full beneficial interest with respect to the shares owned</li> </ul> <p>b. Self-attested copy of registration certificate and</p> <p>c. Self-attested copy of PAN</p>

Format for the aforementioned declarations have been attached herewith and the Members should use the same format to upload the declarations in the below mentioned URL of the RTA.

## **2. For Non-Resident Shareholders:**

Category of Member	Tax Rate	Documentation Required
Non-Resident members [Including Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI)] who are not covered by the provisions of Section 206AB of the IT Act	20% plus surcharge and cess or rate mentioned in Double Taxation Avoidance Agreement (“DTAA”), whichever is lower	<p><b><u>Documents required to claim DTAA benefits:</u></b></p> <ul style="list-style-type: none"> <li>• Self-attested copy of PAN Card allotted by the Indian Income-tax Authorities. In case PAN is not available, self-declaration for the same.</li> <li>• Self-attested copy of Tax Residency Certificate obtained from the Tax Authorities of the country of which the Member is resident, valid for the Financial year 2022-23.</li> <li>• Self-declaration in Form 10F</li> <li>• Self-declaration of having no Permanent Establishment in India</li> <li>• Self-declaration regarding beneficial ownership, place of effective management (POEM), General Anti-avoidance Rule (GAAR), Principal Purpose Test, Simplified Limitation of Benefit test (if applicable), as regards the eligibility to claim recourse to concerned DTAA</li> <li>• In case of FII/ FPI, please also attach self-attested copy of SEBI registration certificate.</li> </ul>
Non-resident members who submit the lower deduction certificate under section 197 of the IT Act	Rate specified in the certificate	Lower / Nil withholding tax certificate obtained from the tax authority.

It is recommended that Members independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident Member.

## **HIGHER TDS FOR NON-FILERS OF INCOME TAX RETURN (“ITR”) AS PER SECTION 206AB OF THE IT ACT**

The Finance Act, 2021 has introduced new section 206AB which is effective from July 01, 2021. The provisions of sections 206AB of the Act requires the deductor to deduct tax at higher of the following rates from amount paid/credited to ‘Specified Person’:

- a. At twice the rate specified in the relevant provision of the IT Act; or
- b. At twice the rate or rates in force; or
- c. At the rate of 5%

The Company will be using the functionality of the Income-tax department to determine the applicability of Section 206AB of the IT Act.

The ‘specified person’ means a person who has:

1. not filed 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 of filing return of income under sub-section (1) of section 139 has expired; and
2. subjected to tax deduction/collection at source in aggregate amounting to INR 50,000 or more in the said previous year.

Non-Resident member who does not have the permanent establishment is excluded from the scope of specified person.

### **MEMBERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS/CATEGORY:**

Members holding shares of the Company under multiple accounts, under different status/category and single PAN, may note that higher rate of tax, as applicable to the status in which shares are held under the PAN will be considered on their entire holding in different accounts.

### **IN CASE WHERE DIVIDEND IS ASSESSABLE TO TAX IN THE HANDS OF PERSON OTHER THAN THE REGISTERED MEMBER**

In terms of Rule 37BA of the Income-tax Rules, 1962, if dividend income on which tax will be deducted at source is assessable in the hands of a person other than the registered Member as on the Book Closure date, then the registered Member is required to submit a signed declaration (on letterhead) containing the name, address, PAN, residential status/category of the person to whom TDS credit is to be given and reasons for giving credit to such person, on or before August 31, 2022 (copy of format for declaration attached herewith). Please note that no request in this regard would be accepted/ considered by the Company/ RTA after the said date.

### **SUBMISSION OF TAX RELATED DOCUMENTS**

Members can submit their tax exemption forms and supporting documents as mentioned herein above duly completed and signed along with self-attested copy of PAN directly on the RTA’s web-portal [https://www.integratedindia.in/ExemptionFormSubmission\\_ubl.aspx](https://www.integratedindia.in/ExemptionFormSubmission_ubl.aspx) on or before Friday, August 5, 2022 to enable the Company to determine and deduct appropriate tax.

*Documents already submitted or uploaded shall be considered valid if they are complete in all respects. In case of queries with respect to the process of uploading the said documents, members may write to the RTA at Email-ID [blr@integratedindia.in](mailto:blr@integratedindia.in) ONLY. No communication would be accepted from Members after 6.00 p.m. on Friday, August 5, 2022 in relation on tax determination / tax deduction / withholding tax matters and in relation to Rule 37BA for request to pass on credit to person other than registered Members, no communication shall be entertained on or after Wednesday, August 31, 2022, through Email or by post/courier/hand-delivery.*

***Please note that documents uploaded on the above web-portal will only be considered for computation of withholding tax. Members may also note that any other method or submission of documents will not be considered valid for tax determination / tax deduction / lower withholding tax matters, and the Company or the RTA will not be held responsible for deduction of tax at applicable rate.***

For all self-attested documents, Members must mention on the document “certified true copy of the original”. For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on request by the Company.

***In case of aforesaid documents are not received on or before August 05, 2022 or the documentation is incomplete or discrepancy occurred, tax will be deducted on the dividend amount at applicable rates, without any further communication and No refund will be entertained by the Company.*** In such cases, the Member would still have an option to file the return of income and claim appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

In case of joint Members, the Member named first in the Register of Members/ list of Beneficial owners are required to furnish the requisite documents for claiming any applicable beneficial tax rate.

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

The Company is obligated to deduct tax (TDS) based on records available with the RTA on the Book Closure date and no request will be entertained for revision of TDS return. Application of TDS rate is subject to, necessary verification of details as provided by the members to the Company or to the RTA. The tax credit can be viewed by Members in Form 26AS after October 31, 2022 by logging with their login credentials at ‘TRACES’ <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometax.gov.in/home>.

## **UPDATION OF BANK ACCOUNT DETAILS**

Members are requested to ensure that their bank account details (IFSC Code, MICR, etc.) in their respective demat accounts (with the DP) / physical folios (with the RTA in Form ISR-1) are updated, to enable the Company to make timely credit of dividend in their bank accounts.

In case of any queries, you may write to the Company’s provided email-ID ‘[ublinvestor@ubmail.com](mailto:ublinvestor@ubmail.com).’

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences.

Members are advised to consult with their own tax advisors for the tax provisions that may be applicable to them.

Your co-operation in this regard is solicited.

Thanking you,

Yours faithfully,

For UNITED BREWERIES LIMITED

Sd/-

**GOVIND IYENGAR**

Senior Vice President – Legal &

Company Secretary

**Note: This is a system generated Intimation and hence does not require any signature. Please do not reply to this intimation, as this intimation is not monitored.**