



TORRENT PHARMACEUTICALS LIMITED

(CIN: L24230GJ1972PLC002126)

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Date: 13th January, 2025

Sub: Deduction of tax at source on Dividend

Dear Shareholder,

We wish to inform you that the Board of Directors of your Company proposes to consider payment of interim dividend for the financial year 2024-25 at the Board meeting scheduled on 24th January, 2025.

The interim dividend, if declared by the Board, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on Record Date i.e. 01st February, 2025 fixed by the Company for the purpose.

As per Indian Income Tax Act, 1961, dividend paid and distributed by a company is taxable in the hands of shareholders with effect from 1st April, 2020. Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable to each category of shareholders.

Further, as per Section 206AB of Income Tax Act, 1961, read with Circular 10 of 2022 issued on 17th May 2022, a higher rate of tax (twice the specified rate) would be applicable on payment made to a 'Specified Person' defined under the provisions of the aforesaid section. (Text of section 206AB and the Circular can be read from the link: <https://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx>).

According to Section 90(5) read with Rule 21AB of the Income Tax Act, a non-resident must provide specific information in Form 10F along with the Tax Residency Certificate (TRC) in order to claim the benefits of any Tax treaty in respect of any income earned in India.

CBDT vide Notification 3 dated 16th July 2022, Notification 126 dated 12th December 2022 and Notification F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420-dated 28th March 2023 mandatorily requires a non-resident shareholder to furnish Form 10F electronically in the Income tax portal.

You are requested to update your details like tax residential status, PAN and register your email address, mobile numbers and other details with your depository participants in case you are holding shares in dematerialized form and furnish details to the Company's Registrar and Transfer Agent ("RTA") if you are holding shares in physical mode.

The TDS rate would vary depending on the residential status and category of shareholder and is subject to provision of requisite declarations / documents provided to the Company. Accordingly, you are requested to upload the required documents/details, as applicable, on the portal of the RTA <https://ris.kfintech.com/form15/> on or before 01st February, 2025. Shareholder(s) is / are requested to upload all documents at the aforesaid link only.

Kindly note that no communication/documents will be considered by the Company unless uploaded on the portal of the RTA for such purpose.

DOCUMENTS TO BE SUBMITTED BY RESIDENT SHAREHOLDER:

- Copy of the PAN Card allotted by the Indian Income Tax authorities duly self-attested. If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN.
- Form 15H for the Financial year 2024-25 (for claiming exemption - applicable to an individual above age of 60 years with no tax liability on total income) - [Annexure 1](#).
- Form 15G for the Financial year 2024-25 (for claiming exemption - applicable to an individual or a Person not being a company or Firm with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) - [Annexure 2](#).
- Declaration by resident for availing the NIL tax rate deduction on dividend payment under the Income Tax Act, 1961 applicable for financial year 2024-25 - [Annexure 3](#).
- Declaration under section 199 of Income Tax Act 1961 read with Rule 37BA of Income Tax Rules, 1962 where the credit of TDS deducted by the company is to be reported in the name of beneficial owner of the Dividend Income, which is other than the person whose name is in the shareholder details as per RTA in format available as [Annexure 6](#)

DOCUMENTS TO BE SUBMITTED BY NON-RESIDENT SHAREHOLDER:

- Copy of the PAN Card allotted by the Indian Income Tax authorities duly self-attested.
- For claiming relief of beneficial tax rate as per DTAA, it is mandatory to share :
 - a. Copy of 'Tax Residence Certificate' of the country of residence of shareholder valid for Financial Year 2024-25. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
 - b. Copy of electronically filed 'Form 10F' in the income tax portal for Financial Year 2024-25 along with acknowledgement in format available in [Annexure 4](#).
 - c. Copy of No Permanent Establishment Declaration for the financial year 2024-25 in the format available as [Annexure 5](#).

- d. Copy of Tax exemption certificate or a Lower Tax Certificate issued by Indian tax Authority, if any.
- e. Declaration under section 199 of Income Tax Act 1961 read with Rule 37BA of Income Tax Rules, 1962 where the credit of TDS deducted by the company is to be reported in the name of beneficial owner of the Dividend Income, which is other than the person whose name is in the shareholder details as per RTA in format available as [Annexure 6](#)

Note:

- No tax shall be deducted on payment of dividend to a resident individual shareholder if the total dividend paid by the Company during a Financial year, does not exceed Rs. 5,000/-.
- Shareholders holding shares in demat mode are requested to ensure that PAN no. registered with Depository Participant is as per the database of Income Tax Portal. In case of any discrepancies in PAN details, shareholders are requested to update the correct PAN details with your Depository Participant.
- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date and any other additional documents that may be submitted. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax, as applicable and report the income in the PAN as available in the Shareholder details, without any further communication in this regard.
- All the documents submitted by you shall be verified by the Company to assess the applicable rate of tax to be deducted in accordance with the provisions of the Income Tax Act, 1961. The beneficial Tax Treaty rates will not automatically apply at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of documents submitted by non-resident shareholders. In case documents are found to be incomplete, the Company reserves the right of not considering the tax rate prescribed under the tax treaty.
- In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, you would have the option of claiming refund of the excess tax deducted at the time of filing your income tax return. No claim shall lie against the Company for such tax deduction.
- Members 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 are held under a PAN will be considered on their entire holding in different accounts.
- The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES website <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/iec/foportal/>.
- 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(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operate in any assessment/ appellate proceedings before the Tax/ Government authorities.

- The Company will not consider the documents/communication uploaded on portal, after 01st February, 2025.
- Clearing member should ensure that as on record date, shares get credited to the respective shareholder's account so that dividend is credited directly to them.
- SEBI vide its Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated that effective from April 01, 2024, the shareholder(s) who hold shares in physical mode and who have not updated PAN and KYC details in their folios shall, inter-alia, be eligible to get dividend only through electronic mode after updating PAN and KYC Details, Bank Account Details and Specimen Signature in their folios. Such shareholder(s) are also requested to provide 'choice of nomination' for facilitating smooth transmission of securities held by them.

Thanking you,

Yours sincerely,

For Torrent Pharmaceuticals Limited

Chintan M. Trivedi
Company Secretary

Disclaimer: The information set out hereinabove is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.
