



TORRENT PHARMACEUTICALS LIMITED
(CIN: L24230GJ1972PLC002126)

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25th January, 2022

Sub: Deduction of tax at source on Dividend

We are pleased to inform you that the Board of Directors of your Company at its meeting held on 25th January, 2022 has declared an interim dividend of Rs.25/- per equity shares of Rs.5/- fully paid up. The said interim dividend will be paid to shareholders holding equity shares of the Company as on Record Date i.e. 3rd February, 2022 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 April 1, 2020. Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable to each category of shareholder.

Further, as per the Finance Act 2021, section 206AB has been inserted w.e.f. July 01, 2021 wherein 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 can be read [here](#)).

You are requested to update your records such as tax residential status, permanent account number (PAN) and register your email address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialized form and if you are holding shares in physical mode, you are requested to furnish details to the Company's Registrar and Transfer Agent (RTA), by email to inward.ris@kfintech.com.

The withholding tax rate would vary depending on the residential status and category of shareholder and is subject to provision of requisite declarations / documents 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 1st February, 2022:

DOCUMENTS TO BE SUBMITTED BY RESIDENT SHAREHOLDER:

- Copy of the PAN Card allotted by the Indian Income Tax authorities duly attested by yourself.
- Declaration by resident for availing the deduction on dividend payment as per rates specified under the Income Tax Act, 1961 – [Annexure 1](#).
- Form 15H (for claiming exemption – applicable to an individual above the age of 60 years) – [Annexure 2](#).
- Form 15G (for claiming exemption – applicable to any Person other than a company or Firm) – [Annexure 3](#).
- Declaration by resident for availing the NIL tax rate deduction on dividend payment under the Income Tax Act, 1961 – [Annexure 4](#).

DOCUMENTS TO BE SUBMITTED BY NON-RESIDENT SHAREHOLDER:

- Copy of the PAN Card allotted by the Indian Income Tax authorities duly attested by yourself.
- Copy of Tax Residence Certificate of the country of residence of shareholder valid for Financial Year 2021-22.
- Self-declaration in Form 10F for Financial Year 2021-22 to provide information under section 90 – [Annexure 5](#).
- Self-declaration of having no Permanent Establishment in India, Beneficial ownership of shares and dividend income and eligibility treaty benefits – [Annexure 6](#).

Further, in case you are identified as a 'Specified Person' under section 206AB then we request you to submit a self-declaration for not having Permanent Establishment in India in as per tax law ([Annexure 6](#)) so that higher rate of tax deducted at source would not be applicable.

Note:

- No tax is required to be deducted on payment of dividend to a resident individual shareholders if the total dividend received/ to be received by him/her during a Financial year, does not exceed Rs. 5,000/-. Therefore, the above provisions obligates the payer to withhold taxes in all cases where the amount of dividend likely to be paid during the relevant financial year exceeds Rs. 5,000/-.
- 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 on the record date and any other additional documents that may be submitted.
- All the documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Income Tax Act, 1961.
- 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 paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted.
- The Company will not consider the documents/communication uploaded on portal or received physically, after 1st February, 2022.
- Clearing member should ensure that as on record date no shares are lying in their demat account.