



TORRENT PHARMACEUTICALS LIMITED

(CIN: L24230GJ1972PLC002126)

Registered Office: Torrent House, Off Ashram Road, Ahmedabad - 380 009, Gujarat, India.

Phone: 079-26599000, Fax No. 079-26582100

Website: www.torrentpharma.com, E-Mail: investorservices@torrentpharma.com

Date : 16th June, 2022

Sub: Deduction of tax at source on Dividend

Dear Shareholder,

We are pleased to inform you that the Company is completing 50 years of its incorporation this year. To commemorate the same, the Board of Directors of your Company at its meeting held on 25th May, 2022, has, inter alia, recommended a final dividend of Rs. 23/- per equity share of Rs.5/- each including the special dividend of Rs.15/- per equity share, subject to approval of shareholders in the ensuing Annual General Meeting to be held on Friday, 29th July, 2022. The said final dividend, if approved by the Shareholders, will be paid to shareholders holding equity shares of the Company as on Record Date i.e. 6th June, 2022 fixed 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. Following the CBDT guidelines, the Company shall undertake necessary compliance check of Permanent Account Number ("PAN") of shareholders available in register of members of the Company or Register of Beneficial Owners maintained by the Depositories in the Income Tax Portal to identify "Specified Person" and apply rate of tax accordingly. (Text of section 206AB and the Circular can be read from the link: <https://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx>).

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") by email to einward.ris@kfintech.com, 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 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 8th July, 2022.

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.
- Declaration by resident for availing the tax 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 who is of the age of 60 years or more with no tax liability on total income) - [Annexure 2](#).
- Form 15G (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 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 self-attested.
- Copy of Tax Residence Certificate of the country of residence of shareholder valid for Financial Year 2022-23.
- Self-declaration in Form 10F for Financial Year 2022-23 to provide information under section 90 - [Annexure 5](#).
- Self-declaration for not having Permanent Establishment in India, Beneficial ownership of shares and dividend income and eligibility of treaty benefits - [Annexure 6](#).
- Copy of Tax exemption certificate or a Lower Tax Certificate issued by Indian tax Authority, if any.

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 as per tax law ([Annexure 6](#)) so that higher rate of TDS would not be applicable.

Note:

- No tax is required to be deducted on payment of dividend to a resident individual shareholder if the total dividend received/ to be received by him/her during a Financial year, does not exceed 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 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.
- 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.
- 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.
- The Company will not consider the documents/communication uploaded on portal, after 8th July, 2022.
- 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.

Thanking you,

Yours sincerely,

For Torrent Pharmaceuticals Limited

Mahesh Agrawal

VP (Legal) & Company Secretary