



## Glenmark Life Sciences Limited

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October 10, 2023

Ref: Folio / DP Id & Client Id No:

Dear \_\_\_\_\_

We are pleased to inform you that the Board of Directors at their Meeting held on October 9, 2023 have declared Interim Dividend of Rs. 22.5/- per Equity Share of face value of Rs. 2/- each for the financial year ending March 31, 2024. The Interim Dividend, will be paid on or after October 23, 2023.

As you may be aware, as per the Income Tax Act, 1961 ("**Act**"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020 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 the said Interim Dividend to the shareholders.

The TDS rate may vary depending on the residential status and the documents submitted by a shareholder to the Company in accordance with the provisions of the Act. Accordingly, the tax to be deducted for various categories of shareholders along with required documents is provided in Table 1 and 2 below:

**Table 1: For Resident shareholder**

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	10%	Update the Permanent Account Number (PAN) if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents, KFin Technologies Limited (in case of shares held in physical mode). No deduction of taxes in the following cases -

		<ul style="list-style-type: none"> <li>• If dividend income to a resident individual shareholder during Financial Year 2023-24 does not exceed Rs. 5,000/-</li> <li>• If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.</li> </ul>
Resident Shareholder submitting Form 15G / Form 15H	NIL	Eligible Resident Shareholder providing Form 15G (applicable to resident individual below the age of 60) / Form 15H (applicable to a resident individual aged 60 years or above) - on fulfilment of prescribed conditions.
Order under section 197 of the Act	Rate provided in the said Order	Lower/NIL withholding tax certificate obtained from Income Tax Authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Act are not applicable.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income.	NIL	Documentary evidence that the Corporation is covered under Section 196 of the Act.
Mutual Funds specified u/s 10(23D)	NIL	Documentary evidence that the Mutual Fund is covered under Section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the fund is covered by Notification No. 51/2015 dated 25 June 2015. (a declaration that its income is exempt u/s 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with a copy of registration documents (self attested))
Other resident shareholder without PAN / invalid PAN/ Specified person	20%	For identifying whether shareholder is "Specified Person" as per the provisions of section 206AB, the income tax department has provided functionality check on the tax portal. The Company will be relying on the information

verified by the utility available on the Income Tax website portal.

**Please Note that:**

- a. **Permanent Account Number is mandatory to be registered for each Folio/DP id-Client Id. In absence of a valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act and tax credit certificate cannot be generated.**
- b. **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.**

**Table 2: Non-resident Shareholders:**

<b>Category of shareholder</b>	<b>Tax Deduction Rate</b>	<b>Exemption applicability/ Documentation requirement</b>
Any non-resident shareholder including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company:- <ul style="list-style-type: none"><li>• Copy of the PAN Card, if any, allotted by the Indian authorities.</li><li>• Self-attested copy of Tax Residency Certificate (TRC) valid as on date date obtained from the tax authorities of the country of which the shareholder is resident</li><li>• Self-declaration in Form 10F in the attached form.</li><li>• Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit.</li><li>• Tax identification number in the country of residence</li><li>• TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the</li></ul>

		<p>above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Submitting Order under Section 197 of the Act	Rate provided in the said Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

**Note: The 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**

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be uploaded on the link <https://ris.kfintech.com/form15/default.aspx> on or before **October 16, 2023** in order to enable the Company to determine and deduct appropriate TDS / withholding taxes. However, in case, you face any technical difficulties in uploading the document on above link, you may kindly email the scanned documents to [complianceofficer@glenmarklifesceinces.com](mailto:complianceofficer@glenmarklifesceinces.com). No communication/documents on the tax determination / deduction shall be considered after October 16, 2023. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted. The relevant forms as may be applicable to the shareholders are available on <https://ris.kfintech.com/form15/default.aspx>

**TDS rate in case of taxpayers in Specified Cases:**

The Finance Act, 1961 has inserted the provisions of Section 206AB of the Income Tax Act, 1961 with effect from July 1, 2021, pursuant to which the Company would be **liable to deduct tax at higher of the below rates** on the dividend paid to 'specified persons':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rate or rates in force; or
- iii. At the rate of 5%

'Specified Person' as defined under Section 206AB of the Act means a person:

Specified person means a person who has not furnished the 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 for furnishing return of income under sub-section (1) of section 139 has

expired and the aggregate of tax deducted at source and tax collected at source in his/her case is rupees fifty thousand or more in said previous year.

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

Kindly note that if any Non-Resident is a 'specified person' under the above-mentioned provisions, a "No PE Declaration" should be submitted to the Company by October 16, 2023. In the event such declaration is not submitted, the Company shall apply withholding tax at a higher rate as per provisions of Section 206AB.

**For identifying whether shareholder is "Specified Person" as per the provisions of section 206AB, the income tax department has provided functionality check on the tax portal. The Company will be relying on the information verified by the utility available on the Income Tax website portal.**

**In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company's Registrar in the manner prescribed by the Rules.**

If the tax on said dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by October 16, 2023, the shareholders may claim an appropriate refund in their return of income.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, after payment of the said Interim Dividend. TDS certificate cannot be generated for resident shareholders not having PAN. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.

*Shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account / folio ids for enabling the Company to make timely credit of dividend in the respective bank accounts.*

We seek your co-operation in the matter.

Yours faithfully,  
For Glenmark Life Sciences Limited

Rudalf Corriea  
Company Secretary & Compliance Officer

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