



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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Website: www.strides.com; Email: investors@strides.com

Date: June 26, 2021

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder :

Dear Shareholder(s),

Subject: Strides Pharma Science Limited ('Strides'/ 'the Company') - Final Dividend FY 2021 - Deduction of tax at source on dividend pay-out

We hope that you and your family are doing well and are safe and healthy.

We wish to inform you that the Board of Directors of the Company in their meeting held on May 27, 2021 recommended a final dividend of Rs. 2.50 per equity share having nominal value of Rs. 10/- each for the Financial Year ('FY') ended March 31, 2021, subject to approval at the ensuing Annual General Meeting to be held on Friday, September 3, 2021.

As you are aware that as per the Income-tax Act, 1961, ('the Act'), as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of the shareholders. Therefore, the Company shall be required to deduct taxes at source ('TDS') at the rates applicable to each category of shareholder as per the relevant provisions of the Act.

As per the latest information available with the depositories (NSDL/ CDSL) / Registrar and Share Transfer Agent ('KFin Technologies Private Limited' or 'KFin'), you are a shareholder of the Company. If you remain as a shareholder as on **Record Date i.e., August 6, 2021**, the dividend receivable by you would be taxable under the Act. Hence, we request you to kindly verify the correctness of your records (including residential status, Permanent Account Number ('PAN') and bank account details) and update the same with your depository participant (if you hold shares in dematerialized mode) or the Registrar and Share Transfer Agent (if you hold shares in physical mode), at the earliest.

In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Company's Registrar and Share Transfer Agent KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) (herein referred as 'RTA'). This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

We also request the shareholders holding shares in dematerialized mode to register their email addresses and mobile numbers with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish their email addresses and mobile numbers with the Company's RTA, at <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> or investors@strides.com.

I. For Resident Shareholders

Tax is required to be deducted on dividend income under section 194 of the Act at 10% where shareholders have registered their valid PAN. However, please note that if you do not furnish PAN or PAN is not valid, it would be considered as PAN not being available and taxes would be deducted at 20% as per section 206AA of the Act. Further, the Company shall be liable to deduct taxes at higher rates (double the tax rate) if the conditions as per the provisions of section 206AB of the Act (discussed later in detail) are not satisfied.

a. Resident Individual Shareholders

No tax shall be deducted on the dividend payable to resident individuals, if:

1. Total dividend to be received by you from Strides during the FY 2021-2022 does not exceed Rs. 5,000/.
2. In order to provide exemption from TDS on the dividend payable to you, you should submit all the following documents, if eligible, as per the relevant provisions of the Act:
 - a. Form No. 15G (applicable to Resident Individuals); Form No. 15H (applicable in case of Resident Individual's age is 60 years or more) provided that all eligibility conditions are met – The link to download the forms is provided below.

Please note that PAN is mandatory while providing Form No. 15G/ Form No. 15H.

- b. Lower deduction tax / Nil tax certificate for the FY 2021-2022, if any, obtained from the Income Tax authorities;

If the above documents are found in accordance with the provisions of the Act, the same shall be considered while deducting the taxes.

b. Resident Non – Individual Shareholders

In case your income is subject to lower rate of TDS, or is exempt under the Act, you should submit the following, as applicable:

1. **For Mutual Funds/ Insurance companies/ AIF (with Category I/ II status):** A self-declaration in the format as provided in the link below (as relevant) along with the documentary evidence.
2. **For Others (Resident Company / Firm / HUF / AOP / Trust / Local Authority / Artificial Juridical Person, etc):** In case you are a specified person covered under section 196 of the Act or you have tax exemption status under section 197A of the Act read with Circular No. 18/2017, submit a self-declaration as provided in the link below (as relevant) along with the documentary evidence.

3. Lower deduction tax certificate for the FY 2021-2022, if any obtained from the Income Tax authorities;

If the above documents are found in accordance with the provisions of the Act, the same shall be considered while deducting the taxes.

II. For Non-resident Shareholders

Taxes are required to be deducted in accordance with the provisions of section 195, section 196D and other applicable provisions of the Act as per the rates in force i.e. the TDS rate shall be at 20% (plus applicable surcharge and cess) on the amount of dividend. However, as per Section 90 of the Act, you have an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of your tax residence, if they are more beneficial to you, read with the provisions laid down in Multilateral Instrument ('MLI'). In case you propose to avail the benefit of DTAA, read with the MLI between India and the country of your tax residence, you should submit all the following documents as prescribed under the Act:

- i. Self-attested copy of the Permanent Account Number ('PAN Card') allotted by the Indian income tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) self-attested copy of the Tax Residency Certificate from the resident country and (f) Tax Identification Number of the residency country, as prescribed under Rule 37BC of the Income-tax Rules, 1962 ('the Rules').
- ii. Self-attested copy of Tax Residency Certificate ('TRC') for the FY 2021-2022 (for the period April 2021 to March 2022) obtained from the revenue authorities of the country of your residence;
- iii. Self-declaration in Form No. 10F - If all the details required in this form are not mentioned in the TRC;
- iv. Self-declaration in the format as provided in the link below that you are eligible to avail the DTAA benefits;
- v. Copy of SEBI registration certificate in case of Foreign Institutional Investors and Foreign Portfolio Investors;
- vi. Any other document as prescribed under the Act for lower rate of tax, if applicable and as obtained from the India Income Tax authorities.

If the above documents are found in accordance with the provisions of the Income-tax Act, 1961 the same shall be considered while deducting the taxes. Further, please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on the dividend amount. The application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-resident shareholders.

Further, the Company shall be liable to deduct taxes at higher rates (double the tax rate) if the conditions as per the provisions of section 206AB of the Act (discussed later in detail) are not satisfied.

III. For Shareholders Having Multiple Accounts Under Different Status / Category:

Shareholders holding equity shares in the Company 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.

TDS to be deducted at higher rate in case of non-filers of Income-tax Return

Finance Act 2021 has introduced provisions of section 206AB of the Act with effect from 1 July 2021, which prescribe special/ higher rates of tax deduction with respect to amounts paid/ credited to certain specified persons.

The provisions of section 206AB require the deductor to deduct taxes at higher of the following rates from amounts paid/ credited to a 'specified person':

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

'Specified person' means a person who has:

- a. not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) has expired; and
- b. is subject to tax deduction and tax collection at source in aggregate amounting to Rs. 50,000 or more in each of such two immediate previous years.

Non-resident who does not have a Permanent Establishment (i.e. a fixed place of business through which the business of the shareholder is wholly or partly carried on in India) is excluded from the definition of specified person.

Basis the above, with respect to the resident shareholders, the Company shall verify whether such shareholder is a specified person or not for the purpose of section 206AB of the Act from the online functionality issued by the Central Board of Direct Taxes ('CBDT').

Further, with respect to the Non-resident shareholders, the provisions of section 206AB of the Act is applicable only when the Non-resident shareholder has a Permanent Establishment in India. The Company hereby requests the Non-resident shareholders to mandatorily submit a self-declaration on having/ not having a Permanent Establishment in India (as provided in the link below). If such declaration is not provided by the Non-resident shareholders, the Company shall verify whether such shareholder is a specified person or not basis the details available for the purpose of section 206AB from the online functionality issued by the CBDT.

The Company shall rely on the results produced by the functionality and accordingly proceed to deduct taxes at higher rates as specified under section 206AB of the Act, as applicable, and such TDS would be final and the Company shall not refund/adjust the said amount subsequently.

The Company reserves its right to recover any tax demand raised subsequently on the Company for not informing the Company or providing wrong information with respect to applicability of section 206AB in your case.

Declaration under Rule 37BA of Income-tax Rules 1962 ("the Rules")

In terms of Rule 37BA of the Rules if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should submit a self-certified declaration with the Company in the manner prescribed by the said Rule, which shall contain

the name, address, PAN of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person.

You may note that the Company on July 26, 2021 notified **Record Date** for the purposes of Final Dividend for FY 2020-2021 as **August 6, 2021** to the Stock Exchanges. We request you to kindly take note accordingly.

Kindly note that the aforementioned documents, where ever applicable for respective category of shareholders above should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15> or emailed to einward.ris@kfintech.com, mentioning the name of the Company i.e., Strides Pharma Science Limited, in the subject line. The above documents should reach us on or before August 7, 2021, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

No communication/ documents on the tax determination/ deduction shall be entertained after August 7, 2021. We request you to kindly take note accordingly.

It may be further noted that in case the tax on the said Final dividend is deducted in the absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The Company shall make arrangements for sending the TDS certificate, when taxes deducted, to the shareholders at their registered email-id in due course, once the dividend payment has been made. Shareholders can also view the TDS credit in Form 26AS, which can be downloaded from the e-filing website of the income-tax department - <https://incometaxindiaefiling.gov.in>

We seek your co-operation in the matter.

Please reach out to us at investors@strides.com or einward.ris@kfintech.com (Toll Free No. 1-800-309-4001) for any queries.

Thanks and Regards,

For **Strides Pharma Science Limited**

Sd/-

Manjula Ramamurthy
Company Secretary

Click here to download – Form No. 15H

Click here to download – Form No. 15G

Click here to download – Form No. 10F

Click here to download – Self-declaration format for Mutual Funds

Click here to download – Self-declaration format for Insurance

Click here to download – Self-declaration format for AIF with Category I / II status

Click here to download – Self-declaration format for Other Resident Non-Individuals

Click here to download – Self-declaration for Non-residents shareholders to avail DTAA benefits

Click here to download – Self-declaration from Non-residents shareholders on Permanent Establishment in India for the purpose of section 206AB of the Act

Please note self- declaration formats (as applicable) can be downloaded from the Company's website viz. www.strides.com.