



CIPLA LIMITED
TAXATION OF DIVIDEND DISTRIBUTION IN INDIA

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400013

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TAXATION OF DIVIDEND DISTRIBUTION IN INDIA

Background:- This communication provides a brief of the applicability of Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for different shareholder categories. Pursuant to the Finance Act, 2020, dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of shareholders. In addition, the company needs to deduct tax at source from dividends paid to shareholders. The rate of deduction of tax depends on residential status of the shareholder, and documents submitted by the shareholder and accepted by the Company.

For resident individual shareholders:

- The tax shall be deducted at **10%**, if aggregate amount of dividend to be received by the shareholder during the given Financial Year (FY 2021-22) exceeds ₹ 5,000 and valid PAN is provided by the shareholder. However, if the shareholder provides the duly filled form 15G (applicable to any person other than a company or firm) or Form 15H (applicable to an individual above the age of 60 years) for relevant Financial Year (FY 2021-22) complete in all respects and all the required eligibility conditions are met, then **NIL** taxes shall be deducted at source.
- In case of invalid or non availability of PAN, tax shall be deducted at the rate of **20%**.

For resident shareholders other than individuals (HUF/ LLP/ AOP/ Companies/ Firm/Trust):

- The tax shall be deducted at **10%**, on the entire amount of dividend to be received by the shareholder without any threshold. However, on submission of any lower withholding tax certificate or any exemption status under any provision of Income Tax Act obtained by the shareholder for Financial Year 21-22, the withholding tax shall be at the rate mentioned in the certificate issued by the authority and the same submitted to the company.
- In case of invalid or non-availability of PAN, the withholding tax shall be at **20%**.

Resident shareholders who are eligible to provide declarations in Form 15G or 15H as may be applicable to them, may fill up the relevant declaration and submit at the following link <https://easydividend.nexdigm.com/CIPLA-LIMITED>

The User Manual for filling and submission of declarations on the above link is enclosed with this communication.

In the event any shareholder is unable to submit the declarations in Form 15G or 15H at the aforesaid link, they may e-mail the duly filled up and signed forms to dividend.cipla@nexdigm.com.

For other category shareholders, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government) etc.:

In order to provide **exemption from withholding** the taxes on dividend payable, the shareholder has to provide self-declaration along with the registration with concerned authorities about their category, such as:

- Declaration and Registration certificate by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938
- Declaration and Registration certificate by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income Tax Act, 1961
- Declaration and Registration certificate by Category I/II Alternate Investment Fund (AIF) registered with SEBI
- The aforesaid declarations can be directly e-mailed to dividend.cipla@nexdigm.com.

For non-resident shareholders including Foreign Portfolio Investor (FPI)/(FII) category:

The TDS shall be deducted at **20%**, on the entire amount of dividend to be received by the shareholder without any threshold. However, as per Section 90(2) of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail a lower rate of deduction of tax at source under an applicable tax treaty read with multilateral instruments, if applicable, non-

resident shareholders must provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities, if any
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for FY 2021-22
3. Self-declaration in Form 10F for FY 2021-22 (**Format is attached herewith**)
4. Self-declaration, certifying the following points that is No PE declaration should cover below given points: (**Format is attached herewith**)
 - i. The non-resident shareholder is and will continue to remain a tax resident of the country of residence during FY 2021-22;
 - ii. The non-resident shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. The non-resident shareholder has no reason to believe that the claim for benefits of the DTAA is impaired in any manner;
 - iv. The non-resident shareholder is the ultimate beneficial owner of the shareholding in the Company and dividend receivable from the Company.
 - v. The non-resident shareholder does not have a taxable presence or a permanent establishment in India during FY 2021-22.
5. The aforesaid documents can be directly e-mailed to dividend.cipla@nexdigm.com.

For non-filers of Return of Income: -

- The TDS shall be deducted at **20%**, on the entire amount of dividend to be received by the shareholder. If the shareholder has not filed the return of income for last two financial years (i.e. FY 2018-19 and FY 2019-20), and Tax Deducted at Source and Tax Collected at Source in each of these years in case of the shareholder is ₹ 50,000 or more.
- The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.
- To substantiate this Non Resident have to submit the No PE declaration by e-mailing to dividend.cipla@nexdigm.com.

The shareholders are requested to kindly furnish requisite documents to the Company as stated above on or before 16th August, 2021 for applying the beneficial tax rate.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID within statutory timelines mentioned in the Income Tax Rules. Shareholders will also be able to see the credit of TDS in their Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

Note:-

1. Individual shareholders are requested to ensure that the Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such a scenario, tax shall be deducted at the rate of 20%.
2. All the documents submitted by shareholder will be verified by the Company / its authorised representative and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Income Tax Act, 1961.
3. For resident shareholders, the rate of TDS would not be increased by surcharge and cess. For non-resident shareholders, the rate of TDS would be increased by applicable surcharge and cess.
4. The Company is not obligated to apply the beneficial DTAA rates at the time of withholding tax on the dividend amount. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.
5. If for any reason the tax on dividend is deducted at a higher rate for the shareholder, the shareholder still has the option to file the return of income and claim an appropriate refund, if eligible.
6. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay and indemnify such income-tax demand (including

interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income-tax/appellate authority.

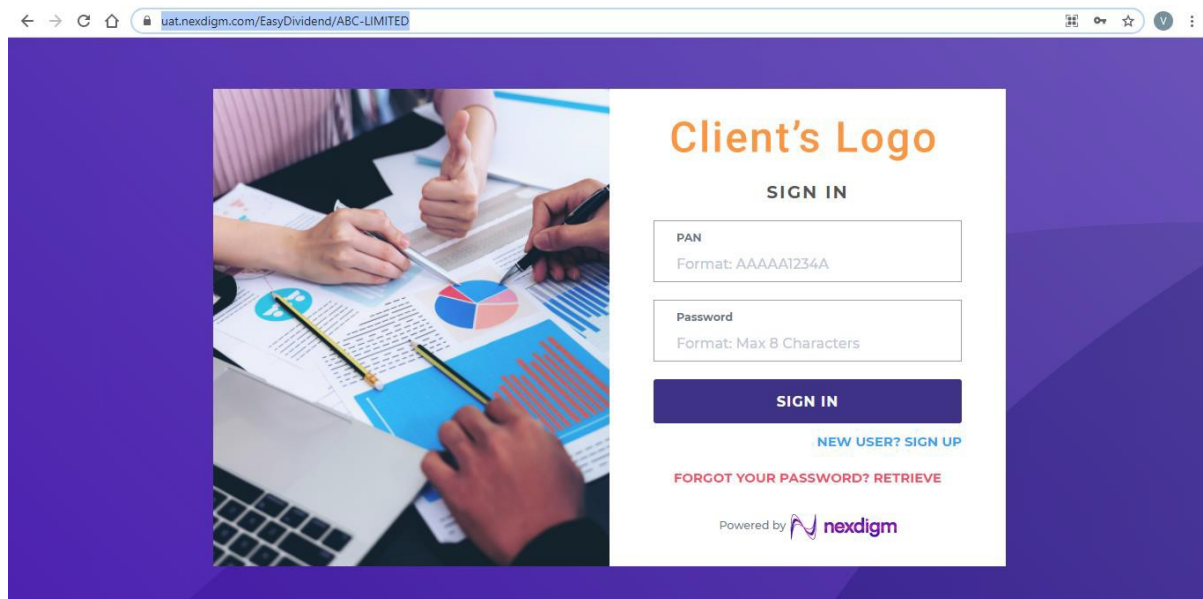
7. The above withholding tax is in summarised form of law and not a detailed analysis nor any tax advice. For detailed tax advice related to their tax matters, shareholders are advised to consult their tax professionals.

EASY DIVIDEND - Form 15G / 15H FILING – USER MANUAL

STEP 1:

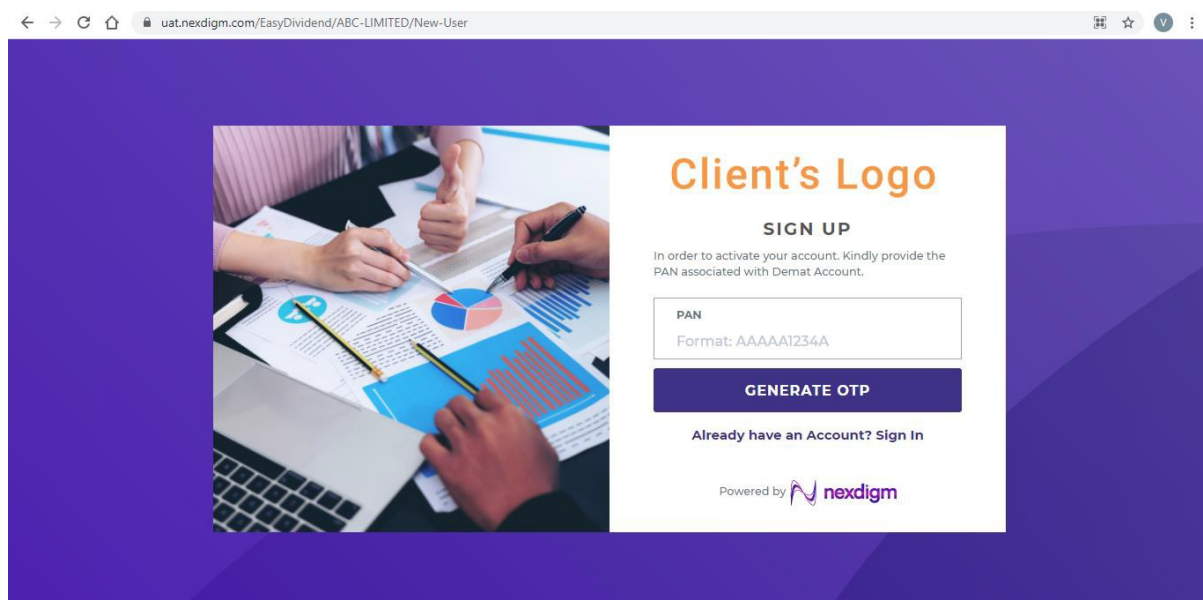
In order to furnish declaration in Form 15G / 15H, request you to click on the link provided to you in the email sent by Share Transfer Agent / RTA or the Company:

<https://uat.nexdigm.com/EasyDividend/ABC-LIMITED>

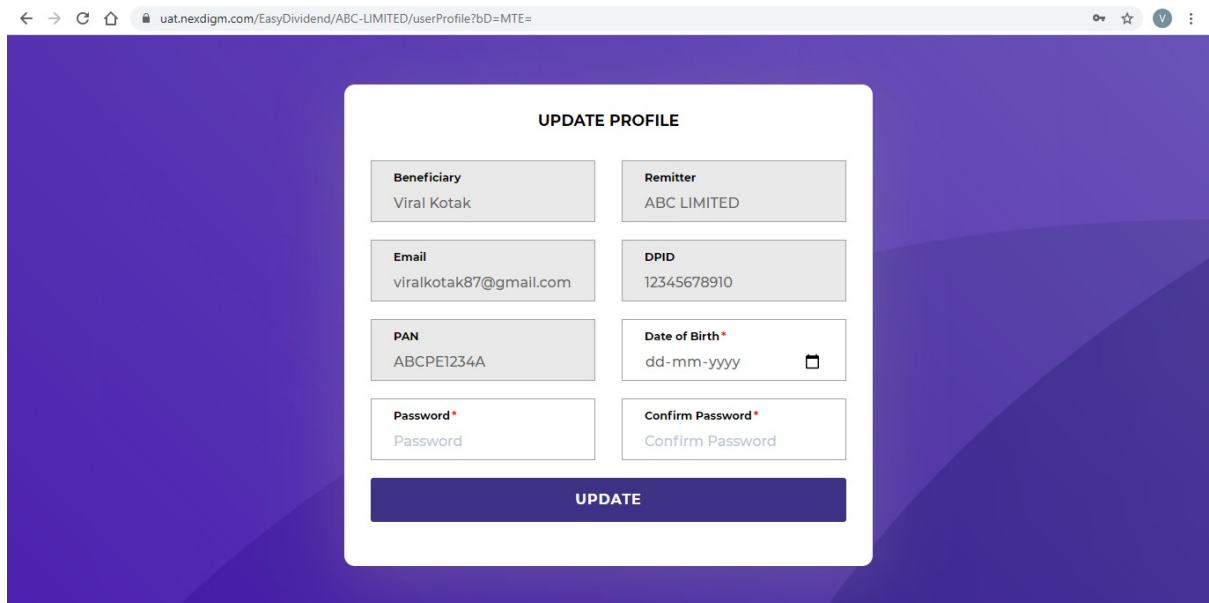


STEP 2:

- Please click on **NEW USER? SIGN IN** if logging for the first time. On clicking the same, you will be asked to enter your PAN. Please enter the PAN and click on **GENERATE OTP**. The OTP will be received on the email registered with the RTA / Company.



- After entering the OTP, you will be asked to mention your date of birth and set a password for login. Please mention the same.



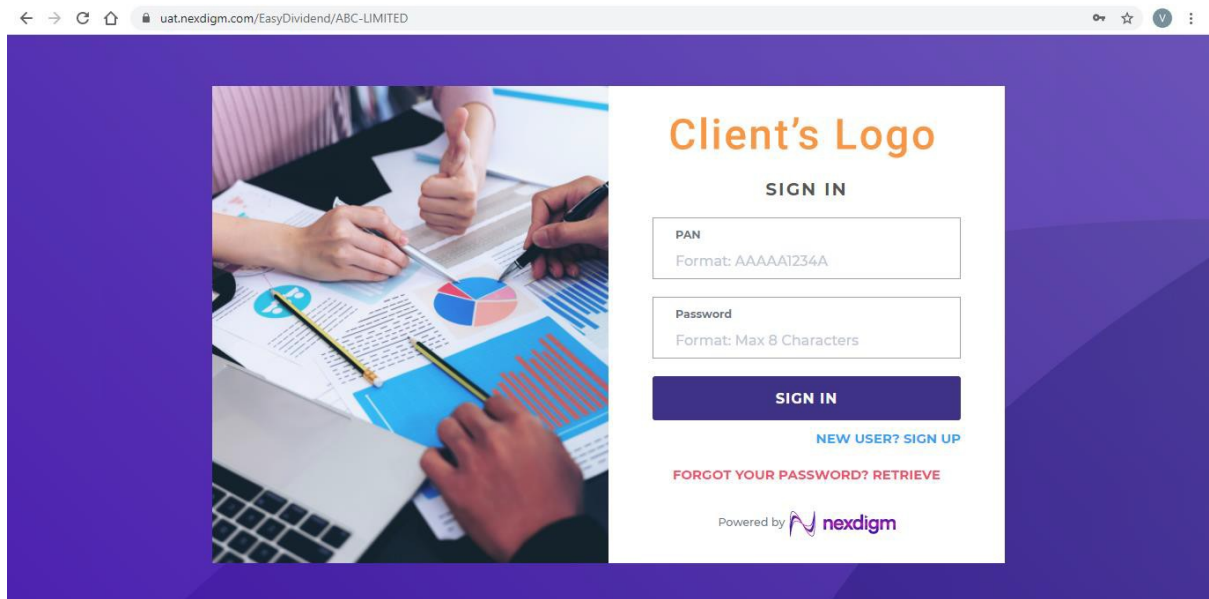
← → ↻ 🏠 uat.nextdigm.com/EasyDividend/ABC-LIMITED/userProfile?bD=MTE=

UPDATE PROFILE

Beneficiary Viral Kotak	Remitter ABC LIMITED
Email viralkotak87@gmail.com	DPID 12345678910
PAN ABCP1234A	Date of Birth* dd-mm-yyyy 📅
Password* Password	Confirm Password* Confirm Password

UPDATE

- After setting the password, please login



← → ↻ 🏠 uat.nextdigm.com/EasyDividend/ABC-LIMITED

Client's Logo


SIGN IN

PAN Format: AAAAAI234A
Password Format: Max 8 Characters

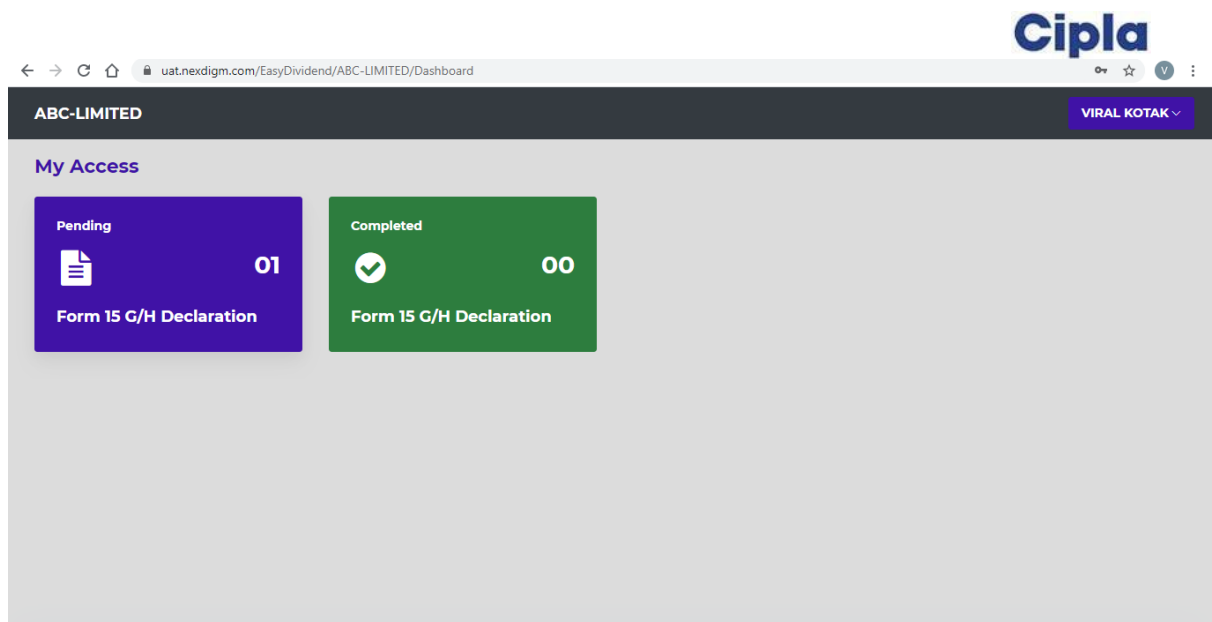
SIGN IN

[NEW USER? SIGN UP](#)

[FORGOT YOUR PASSWORD? RETRIEVE](#)

Powered by 

- On logging in, please fill the details by clicking on Prepare and submit Form 15G / 15H

The screenshot shows the 'FILL FORM 15G/H DECLARATION' form. At the top, there are four steps: '1. Fill Form 15 G/H Declaration' (highlighted), '2. Preview Form 15 G/H Declaration', '3. Sign Form 15 G/H Declaration', and '4. Download Form 15 G/H Declaration'. The form fields are organized into three columns:
- Column 1: 'Remitter*' (ABC LIMITED), 'Status*' (Individual), 'Flat/Door/Block No.*' (empty), 'Area/Locality*' (empty).
- Column 2: 'Name of Assessee (Declarant)*' (Viral Kotak), 'Previous Year*' (2021-2022), 'Name of Premises' (empty), 'Town/City/District*' (empty).
- Column 3: 'PAN of the Assessee*' (ABCP1234A), 'Residential Status*' (Resident), 'Road/Street/Lane' (empty), 'State*' (Select...).
The browser address bar shows 'uat.nextdigm.com/EasyDividend/ABC-LIMITED/Form15GH?AID=NQ=='. The header includes 'ABC-LIMITED' and a 'VIRAL KOTAK' dropdown. A breadcrumb trail shows 'Home / Form 15 G/H'.

- After filling the mandatory details, request you to click on **SAVE DRAFT** to save the declaration

Cipla

uat.nextdigm.com/EasyDividend/ABC-LIMITED/Form15GH?AID=NQ==

Estimated income for which this declaration is made*

Estimated total income of the P.Y. in which Estimated income for which this declaration is made to be included*

Details of Form No. 15G/H other than this form filled during the previous year, if any:

Total No. of Form No. 15G/H filed

Aggregate amount of income for which Form No.15G/H filed

Details of income for which the declaration is filled:

Nature of Income*

Section under which the tax is deductible*

Amount of income paid*

Dividend

Section - 194

SAVE DRAFT

- After saving the declaration, request you to kindly click on **SUBMIT & SIGN**

uat.nextdigm.com/EasyDividend/ABC-LIMITED/Form15GH?AID=NQ==

ABC-LIMITED

VIRAL KOTAK

Home / Form 15 G/H

1. Fill Form 15 G/H Declaration 2. Preview Form 15 G/H Declaration 3. Sign Form 15 G/H Declaration 4. Download Form 15 G/H Declaration

PREVIEW FORM 15G/H DECLARATION

1 of 1

FORM NO. 15G
(See section 197A(1) and rule 29C)

Declaration under section 197A(1) and 197A(1A) to be made by an individual or person (not being a company or firm) claiming certain income without deduction of tax.

PART I

1. Name of Assessee (Declarant) Viral Kotak		2. PAN of Assessee (Declarant) ABCFE1334A	
3. Status Individual	4. Previous year(F.Y.) (for which declaration is being made) 2021-2022	5. Residential Status Resident	
6. Flat/Door/Block No. 1	7. Name of Premises	8. Road/ Street/ Lane	9. Area/Locality Mahalakshmi

SUBMIT & SIGN

- This will enable you to sign using multiple options:
 1. You can sign by uploading manually signed form;
 2. You can e-sign using Aadhar / PAN;
 3. You can sign using Digital Signature Certificate (DSC Token);
 4. You can e-sign using placing your own signature (either by mentioning name or drawing oruploading signature)

Cipla

uat.nextdigm.com/EasyDividend/ABC-LIMITED/Form15GH?AID=NQ==

ABC-LIMITED VIRAL KOTAK

Home / Form 15 G/H

1. Fill Form 15 G/H Declaration
2. Preview Form 15 G/H Declaration
3. Sign Form 15 G/H Declaration
4. Download Form 15 G/H Declaration

SIGN FORM 15G/H DECLARATION

To Sign Document - Manually

Step - 1: Download Form 15G/H

[DOWNLOAD FORM 15G/H](#)

Step - 2: Upload Manually Signed Form 15G/H

[UPLOAD MANUALLY SIGNED FORM 15G/H](#)

To Sign Document - Digitally

Choose your Digital Signing Options

[1. ESIGN USING AADHAR/PAN](#)

[2. DIGITAL SIGNATURE USING USB TOKEN](#)

[3. PLACE ESIGNATURE](#)

- If you upload the manually signed form, you will be allowed to download and email the signed declaration. However, if you select digital signing options, after clicking on the preferred signing option, you will be redirected to emsigner gateway for signing the declaration.

testgateway.emsigner.com/eMsecure/V3_0/Index

emSigner | Test Gateway

You are about to digitally sign a document which is legally valid. Please review carefully before signing

Document Preview

[First](#)
[Previous](#)
1
[Next](#)
[Last](#)

Choose your signing options Cancel

FORM NO. 15G
[See section 197A(1) and rule 29C]

Declaration under section 197A(1) and 197A(1A) to be made by an individual or person (not being a company or firm) claiming certain income without deduction of tax.

PART I

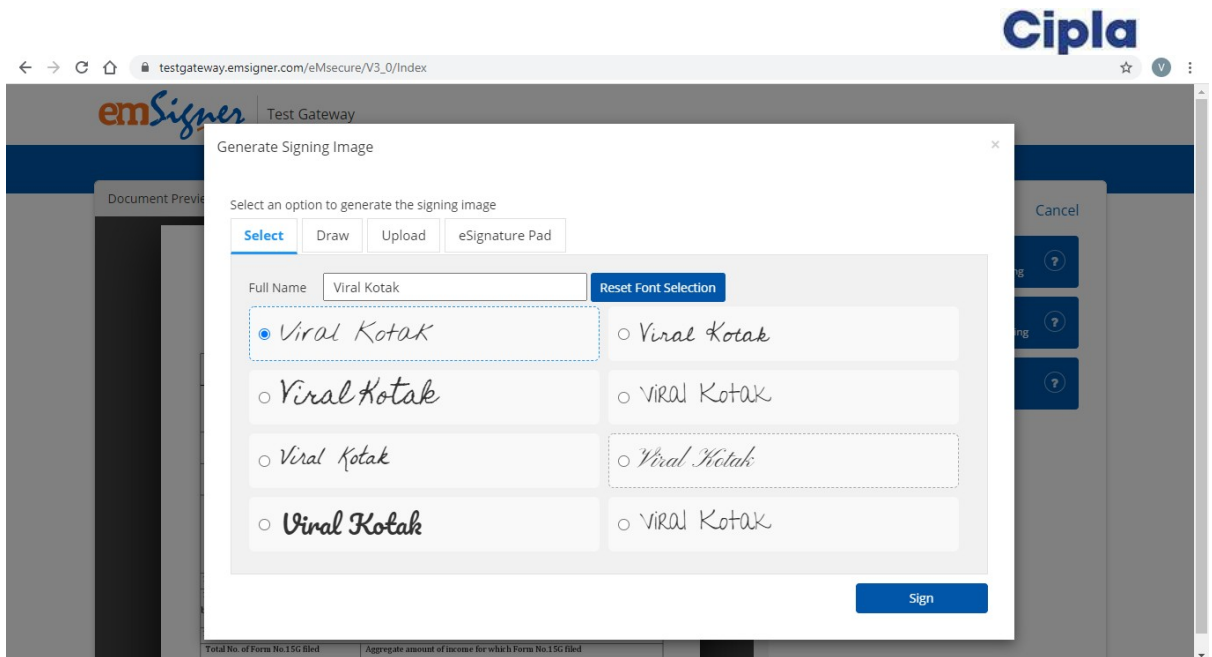
1. Name of Assessee (Declarant) Viral Kotak		2. PAN of Assessee (Declarant) ABCPB1234A	
3. Status Individual	4. Previous year(P.Y.) (for which declaration is being made) 2021-2022		5. Residential Status Resident
6. Flat/Door/Block No. 1	7. Name of Premises	8. Road/ Street/ Lane	9. Area/Locality Mahalakshmi
10. Town/City/District Mumbai	11. State Maharashtra	12. PIN 400001	13. Email viral.kotak87@gmail.com
13. Telephone No. (with STD Code) and Mobile No. 9820426817 0	15 (a) Whether the access tax under the Income-tax act 1961 (b) If yes, Latest assessment year for which accessed		<div style="display: flex; justify-content: space-between;"> Yes No </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> <input checked="" type="checkbox"/> </div>
16. Estimated income for which this declaration is made		1000.00	
17. Estimated total income of the P.Y. in which income mentioned in column 15 to be included		10000.00	
18. Details of Form No.15G other than this form filed for the previous year, if any			
Total No. of Form No.15G filed		Aggregate amount of income for which Form No.15G filed	

1 **eSign**
Aadhaar/PAN based document signing

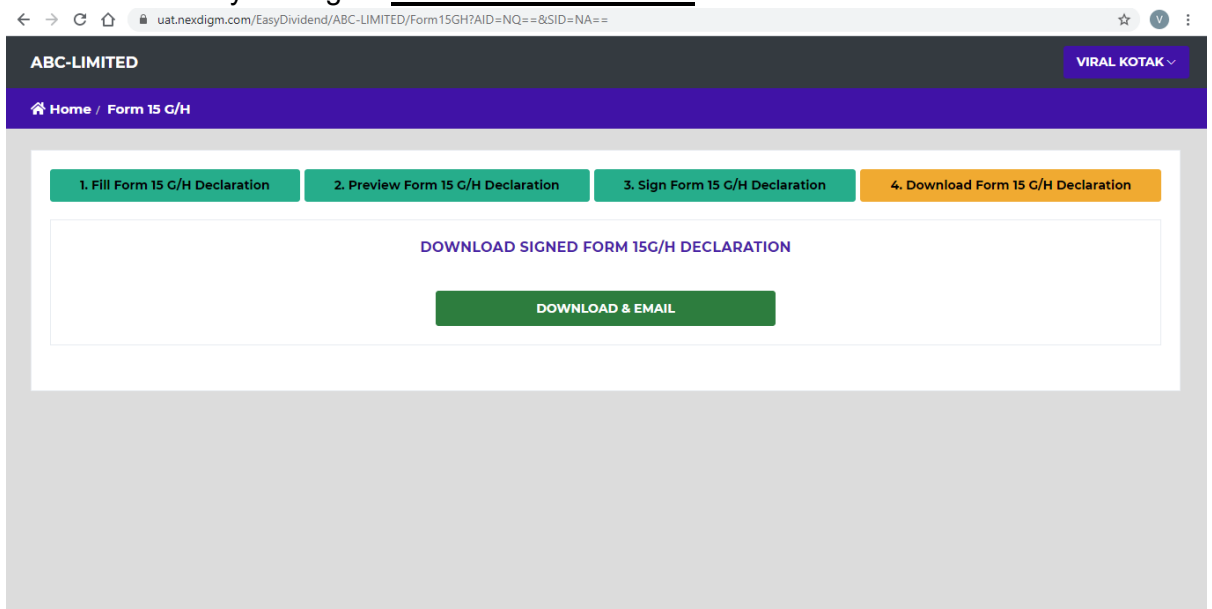
2 **Digital Signature**
USB Crypto token for document signing

3 **Place eSignature**
Select your signature style and sign

?



- After signing the document, you will be allowed to download the signed form for records by clicking on **DOWNLOAD & EMAIL**



- You have successfully furnished the declaration. You can log out from the application. Thankyou.

Format for Self Declaration for No PE and Beneficial Owner

Date:

To
Cipla Limited
Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400013.

Folio Number / DP ID/ Client ID – **Mention all the account details**

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by **Cipla Limited** (the Company), I / We hereby declare as under:

- 1) I /We, **(Name of the shareholder)** confirm that I am / We are tax residents of _____ **(Name of Country)** and I / We do not have a permanent establishment / fixed place of business / profession in India as contemplated under Income Tax Act 1961, during financial year **1st April 2021 -31st March 2022**.
- 2) Further I /We confirm that we are resident of **(Name of Country)** within the meaning of the Article 4 of India - _____ **(Name of Country)** Double Tax Avoidance Agreement (DTAA) and I /We are eligible to claim the benefit of India - _____ **(Name of Country)** Double Tax Avoidance Agreement (DTAA), read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable.
- 3) I / We do not have a permanent establishment / fixed place of business / profession in India as contemplated under Article 5 of India - _____ **(Name of Country)** Double Tax Avoidance Agreement (DTAA) read with the provisions laid down in Multilateral Instruments, wherever applicable, during the financial year **1st April 2021 – 31st March 2022**;
- 4) We do not have any business connection in India within the meaning of section 9(1)(i) of the Income Tax act, 1961 of India including the threshold limit prescribed for significant economic presence (SEP) in explanation 2(A)(a) and 2(A)(b) for the Financial Year **1st April 2021 – 31st March 2022**
- 5) I / We hereby declare that, I am /we are the beneficial owner of the share/shares held in the Company as well as the dividend arising from such shareholding and I/ we have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.
- 6) I/We hereby confirm that we do not have a place of effective management, taxable presence or fixed based in India as per the said tax treaty read with the provisions laid down in MLI, wherever applicable, during the period **1stApril 2021 – 31st March 2022** and none of the key management and commercial decisions for the conduct of business in substance are made in India;
- 7) Dividend paid by Cipla Limited to us is attributable to tax in _____ **(Name of the country)** and is thus, eligible for claiming treaty benefits of Double Tax Avoidance agreement (DTAA) between India and _____ **(Name of the country)** read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable;

8) I/We hereby furnish a copy of valid Tax Residency Certificate dated _____ having Tax Identification number _____ issued by _____ along with a copy of Form 10F duly filled and signed for the period **1st April 2021- 31st March 2022**.

9) I confirm that being individual my aggregate presence in India for the period of April 2021– March 2022 does not exceed 120 days.

10) I / We have satisfied the conditions mentioned in the Limitation of Benefit clause, as appearing in DTAA between India and _____ **(Name of the country)**;

I/ We further indemnify Cipla Limited for any penal consequences arising out of any acts of commission or omission initiated by Cipla Limited by relying on my/our above averment.

Thanking you.

Yours faithfully,

For **Name of the shareholder**

<<insert signature>>

Authorized Signatory - **Name and designation**

Contact address: _____ [Please insert]

Email address: _____ [Please insert]

Contact Number: _____ [Please insert]

Tax Identification Number _____ [Please insert]

Note: Kindly strikethrough whichever is not applicable

FORM NO. 10F

[See sub-rule (1) of rule 21AB]

Information to be provided under sub-section (5) of section 90 or sub-section (5) of section 90A of the Income-tax Act, 1961

I, *son/daughter of Shri..... in the capacity of (designation) do provide the following information, relevant to the previous year..... *in my case/in the case of for the purposes of sub-section (5) of *section 90/section 90A:—

<i>Sl.No.</i>	<i>Nature of information</i>	<i>:</i>	<i>Details#</i>
(i)	Status (individual, company, firm etc.) of the assessee	:	
(ii)	Permanent Account Number (PAN) of the assessee if allotted	:	
(iii)	Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others)	:	
(iv)	Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident	:	
(v)	Period for which the residential status as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A is applicable	:	
(vi)	Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable	:	

2. I have obtained a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A from the Government of (name of country or specified territory outside India)

Signature:

Name:

Address:

Permanent Account Number:

Verification

I do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the day of.....

.....
Signature of the person providing the information

Place:

Notes :

- *Delete whichever is not applicable.
- #Write N.A. if the relevant information forms part of the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A.