



PROCTER & GAMBLE HEALTH LIMITED
(Formerly Merck Limited)
Registered Office: Godrej One, 8thFloor | Pirojshanagar
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CIN: L99999MH1967PLC013726
Email: investorgrievance.im@pg.com Website: www.pghealthindia.com

September 30, 2020

Ref: Folio / DP Id & Client Id No:

Name of Shareholder:

Subject: Communication in respect of deduction of tax at source (TDS) on the amount of Dividend income from Procter & Gamble Health Limited (erstwhile Merck Limited) ("the Company")

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at its Meeting held on September 15, 2020, have recommended a final dividend of Rs. 230 per equity share of face value of Rs. 10 each for the financial year 2019-20. The said dividend, if declared at the ensuing 53rd Annual General Meeting, will be payable to those shareholders whose names appear in the Register of Members of the company as on November 26, 2020 in case of physical shares or in the records of the Depositories as beneficial owners of the shares as at the close of business hours on November 19, 2020 in case of dematerialized shares.

As you may be aware, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates.

A. Resident Shareholders

In pursuance to amendment in the Indian Income Tax Provisions, the Company is required to withhold the taxes on dividend income paid to its resident shareholder, as per the prescribed rates under Section 194 of the Income Tax Act, 1961 {"the Act"}.

Particulars of resident shareholders	Applicable rate	Documents required, if any
Total dividend to be paid to Individual shareholder during F.Y. April 1, 2020 to March 31, 2021 does not exceed ₹ 5000	Nil	
Valid Form 15G or Form 15H (as applicable) are furnished	Nil	No TDS shall be deducted if the Individual shareholder provides duly signed Form 15G or Form 15H (as applicable), provided that all the prescribed eligibility conditions are met. Please download Form 15G / 15H from the Income Tax website https://www.incometaxindia.gov.in/Pages/downloads/most-used-forms.aspx
PAN is available	7.5%	All resident shareholders are requested to update the PAN, if not already done, with the depositories (in case of shares held in dematerialized mode) and with the Company's Registrar and Transfer Agents ("RTA") - M/s. KFin Technologies Private Limited (in case of shares held in physical mode).
PAN is not available/ invalid PAN	20%	-
Life Insurance Corporation ("LIC"), General Insurance Company ("GIC"), Other Insurer for whom Section 194 of the Act is not applicable	Nil	As per the provisions of section 194 of the Act, no tax is required to be deducted on dividend paid to LIC, GIC or its subsidiaries or any other insurer in respect of shares owned by them or in which they have full beneficial interest. Self-attested copy of valid IRDAI registration certificate needs to be submitted.
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	Nil	Self-attested copy of valid SEBI registration certificate/any other documentary evidence that person is covered under provision of section 196 needs to be submitted.
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority
Category I and II Alternative Investment Fund	Nil	No TDS is required to be deducted as per Section 197A(1F) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

B. Non-Resident Shareholders

In pursuance to amendment in the Indian Income Tax Provisions, the Company is required to withhold the taxes on dividend, as per the prescribed rate on dividend payable to its shareholder.

Particulars of non-resident shareholders	Applicable rate	Documents required, if any
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)*	-
Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR DTAA Rate** (whichever is lower)	<p>In order to avail the benefit of Double Taxation Avoidance Agreement (DTAA) by Non-resident Shareholders, the following documents are required to be submitted to the Company</p> <p>Self-attested copy of Indian Permanent Account Number (PAN) card. In case of persons not having PAN, substitute of PAN ***.</p> <p>Self-attested copy of Tax Residency Certificate issued by the tax revenue department of your home country</p> <p>Copy of Form 10F as per the Rules prescribed in The Income Tax Rules, 1962 (Form - 10F)</p> <p>Self-declaration from Non-resident, primarily covering the following Declaration form - 1 & Declaration form - 2):</p> <p>Non-resident is and will continue to remain a tax resident of the country of its residence during the Financial Year 2020-21.</p> <p>Non-resident is eligible to claim the benefit of respective tax treaty</p> <p>Non-resident receiving the dividend income is the beneficial owner of such income</p>

		Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority

** Please note that benefit of Double Tax Avoidance Agreement (DTAA) shall not be provided to FIIs and FPIs*

*** The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.*

**** Tax Identification Number of the shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident.*

General Instructions:

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

The aforementioned documents (duly completed and signed) are required to be uploaded with Company's RTA KFin Technologies Private Limited at <https://ris.kfintech.com/form15> or emailed to inward.ris@kfintech.com on or before November 15, 2020 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after November 15, 2020, 5:00 PM.

The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities as per the prescribed timelines. 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://incometaxindiaefiling.gov.in>

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 the Company, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities. No claim shall lie against the Company for such taxes deducted.

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 Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Further, shareholders who have not registered their email address are requested to register the same with our RTA in case of physical shareholding and with Depository Participant ('DP) in case of demat holding:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to "RTA" einward.ris@kfintech.com; and

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to your DP.

In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to its Members. In this regard, Members holding shares in electronic form are requested to furnish their bank details to their DPs. Members holding shares in physical form are requested to furnish their bank details, alongwith a photocopy of a blank cancelled cheque pertaining to your bank account to the RTA, M/s KFin Technologies Private Limited at below address-

KFin Technologies Pvt.Ltd.

Selenium Building, Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Serilingampalli, Hyderabad - 500 032.

Disclaimer: This Communication shall not be treated as an advice from the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

Should you seek any further clarification, please write to us at einward.ris@kfintech.com or investorgrievance.im@pg.com.

Signed for and behalf of,
For **Procter & Gamble Health Limited**
(Formerly Merck Limited)

Sd/-
Flavia Machado
Authorized Signatory