



Dr. Reddy's Laboratories Ltd.
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Hyderabad - 500 034, Telangana,
India.
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www.drreddys.com

June 19, 2023

National Stock Exchange of India Ltd. (Scrip Code: DRREDDY-EQ)
BSE Limited (Scrip Code: 500124)

Dear Sirs,

Sub: Newspaper advertisement

Pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copies of the newspaper advertisement with respect to the deduction of tax at source on dividend pay-out to shareholders, as published in Business Standard and Nava Telangana. This communication has also been sent via email to all the shareholders.

This is for your information.

With regards,

For Dr. Reddy's Laboratories Limited

K Randhir Singh
Company Secretary, Compliance Officer and Head-CSR

Encl: As above

CC:- New York Stock Exchange Inc.(Stock Code :RDY)
NSE IFSC Ltd.

Business Standard on June 17, 2023



NOTICE TO THE SHAREHOLDERS OF DR. REDDY'S LABORATORIES LIMITED

Notice is hereby given to the shareholders that the 39th Annual General Meeting ("AGM") of the Company is scheduled on Thursday, July 27, 2023 at 10.00 AM (IST) through Video Conferencing (VC) facility / Other Audio Visual Means (OAVM) in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, May 5, 2022 and December 28, 2022, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated May 12, 2020, May 13, 2022 and January 5, 2023, respectively, issued by the Securities and Exchange Board of India ("collectively referred to as "the Circulars"), to transact the business that will be set forth in the Notice of 39th AGM.

In accordance with the aforesaid Circulars, the Notice of AGM along with the Annual Report for the financial year 2022-23, shall be sent, in due course, only through electronic mode to all the shareholders who have registered their email addresses with the Company/ Registrar and Transfer Agent ("RTA") depository participants. Accordingly, shareholders who have not yet registered or updated their email addresses are requested to register their email address on <https://www.drreddys.com/investors/investor-services/shareholder-information/investor-services/shareholder-information> or with their depository participant or send their request at shares@drreddys.com along with their Folio no./ DP ID & Client ID and valid email address for registration. Shareholders may note that the Notice of 39th AGM and Annual Report 2022-23 will also be made available on the Company's website, www.drreddys.com, website of NSDL www.evoting.nsdl.com and on the website of stock exchanges www.bseindia.com and www.nseindia.com.

Shareholders will have an opportunity to cast their vote remotely on the business as set forth in the Notice of the 39th AGM. The manner of voting remotely for shareholders holding shares in demat mode, physical mode and for shareholders who have not registered their email addresses will be provided in the Notice of the 39th AGM. The details will also be made available on the website of the Company at www.drreddys.com.

Pursuant to Section 91 of the Companies Act, 2013 and Rules made thereunder and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 12, 2023 to Friday, July 14, 2023 (both days inclusive) for taking record of the shareholders of the Company who would be entitled for the payment of dividend, if declared at the forthcoming 39th AGM.

The Board of Directors of the Company have recommended a final dividend of Rs. 40/- per equity share of face value Rs. 5/- each, for the financial year ended March 31, 2023. The dividend, once approved by the shareholders in the forthcoming AGM will be paid on August 1, 2023, electronically through various online transfer modes to those shareholders who have updated their bank account details with the Company/ RTA/ Depository Participants. For shareholders who have not updated their bank account details with the Company/ RTA/ Depository Participants, dividend warrants/ demand drafts/ cheques will be sent to their registered addresses. To avoid delay in receiving the dividend, shareholders are requested to update their bank details with their depository participants in case securities are held in demat mode and shareholders holding securities in physical form should send a request for updating their bank details, to the Company's RTA, Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Hyderabad 500 082, Telangana, India Tel: +91-40-2337 4967. Fax: +91-40-2337 0295, email ID: bsshvd@bigshareonline.com.

Shareholders may note that pursuant to the changes in the Income Tax Act ("the IT Act") as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates:

For Resident shareholders, tax shall be deducted at source under Section 194 of the IT Act, as follows:

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|---|---|
| Valid PAN of shareholder available with the Company | 10% or as notified by the Government of India |
| Shareholders without PAN/invalid PAN with the Company | 20% or as notified by the Government of India |
| Shareholder covered under section 206AB as per utility prescribed by CBDT | 20% |

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during the financial year 2023-24 does not exceed Rs.5,000/- and also in cases where shareholder provide valid Form 15G (applicable to any person other than HUF or a company or a firm)/ Form 15H (applicable to an individual who is 60 years and older) subject to conditions specified in the IT Act. Shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding tax. PAN is mandatory for shareholders providing valid Form 15G/ Form 15H or any other documents as mentioned above.

For Resident Mutual funds and Insurance Company shareholders: In order to provide exemption from TDS on the dividend payable to a Mutual Fund specified under Clause (23D) of Section 10 of the IT Act or an Insurance Company as specified in Section 194 of the IT Act, shareholders should submit the document as follows along with exemption notification, if any, as per the relevant provisions of the IT Act: (a) declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938; (b) declaration by Mutual Fund shareholder eligible for exemption under Section 10(23D) of the IT Act; and (c) declaration by Category I/II Alternate Investment Fund (AIF) registered with SEBI.

Declaration for exemption under Circular 18/2017 of the IT Act: In case of any shareholder whose income is subject to lower rate of TDS, or is exempt under the IT Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the IT Act, duly signed by the authorized signatory: (a) lower withholding tax certificate for the financial year 2023-24, if any obtained from the Income Tax authorities; and (b) In case the shareholder has obtained tax exemption status under any provisions of the IT Act, the documentary evidence along with declaration for the same.

For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

1. Self-attested Tax Residency Certificate (TRC) for the financial year 2023-24, obtained from the tax authorities of the country of which the shareholder is a resident.
2. Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under Sub-rule 2 of Rule 37BC to be submitted
3. Shareholders who are holding PAN in India and propose to take treaty benefit shall mandatorily file Form 10F electronically on the income tax portal at the link <https://eportal.incometax.gov.in/>

Non-resident members who are not having Permanent Account Number ("PAN") in India or who are not required to obtain PAN in India are exempted from mandatory electronic filing of Form 10F, however they are required to submit the manual Form 10F as per the format specified under the IT Act duly signed along with a declaration of not having PAN or not required to obtain PAN in India.

4. Self-declaration from non-resident shareholder addressed specifically to the Company, primarily covering the following:
 - a. Non-resident is and will continue to remain a tax resident of the country of residence during the financial year 2023-24;
 - b. Non-resident is eligible to claim the benefit of respective tax treaty;
 - c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - d. Non-resident receiving the dividend income is the beneficial owner of such income;
 - e. Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or fixed base in India;
 - f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate; and
 - g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.
5. Any other documents as prescribed under the IT Act for lower withholding tax if applicable, duly attested by the shareholder.

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 and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 37BA(2) of the Income Tax Rules, 1962: In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by the Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962.

Section 206AA of the IT Act

Rate of TDS at the rate of 10 percent under section 194 of the IT Act which is subject to provisions of section 206AA of the IT Act which introduces special provisions for TDS where PAN provided by deductee is invalid. Invalid PAN also includes cases where PAN and Aadhar are not linked.

As provided in section 206AA of the IT Act, tax is required to be deducted at higher of following rates in case of payments to specified person:

- at twice the rate specified in the relevant provisions of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 20%.

Accordingly, provisions of section 206AA will be applicable in cases where PAN of the shareholder is invalid. Validity of PAN will be determined using functionality of Income Tax Department as notified for the purpose of determining specified person u/s 206AB of the IT Act.

Section 206AB of the IT Act:

Rate of TDS @10% under Section 194 of the IT Act is subject to provisions of Section 206AB of the IT Act which introduces special provisions for TDS in respect of non-filers of income-tax return.

As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons: (a) at twice the rate specified in the relevant provision of the IT Act; or (b) at twice the rate or rates in force; or (c) at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the tax return, the tax shall be deducted at the higher of the two rates prescribed in these two sections. As per CBDT vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the IT Act. Rate of 20% will be applied for shareholders who are determined as specified person in Income tax department portal. The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

For all shareholders: Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants, in case the shares are held in dematerialized form. Shareholder holding shares in physical mode, are requested to furnish details to the Company's Registrar and Share Transfer Agent (RTA).

The formats of above declarations are available on the website of RTA at www.bigshareonline.com and/or Company's website at <https://www.drreddys.com/investor/investor-services/investor-handbook>. The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at DRLtaxexemption@bigshareonline.com.

In order to enable the Company to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, you are requested to provide the above-mentioned details and documents as applicable to you on or before on Friday, June 30, 2023. No documents or communication will be considered after June 30, 2023. Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to our RTA, Bigshare Services Private Limited at DRLtaxexemption@bigshareonline.com.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the IT Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the IT Act, and claim an appropriate refund, if eligible.

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said final dividend/ furnishing of TDS returns for the second quarter of financial year 2023-24, with the authorities.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

For Dr. Reddy's Laboratories Ltd.

Sd/-

K Randhir Singh

Company Secretary, Compliance Officer and Head - CSR

Place : Hyderabad
Date : 17 June 2023

Dr. REDDY'S LABORATORIES LIMITED

Regd. Office: 8-2-337, Road No.3, Banjara Hills, Hyderabad - 500 034, Telangana, India

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