



February 13, 2024

BSE Limited,
P J Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code: 524735

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex, Bandra,
Mumbai - 400 051.
Symbol: HIKAL

Dear Sir/Madam,

**Subject: Intimation under Regulation 30 of the SEBI Listing Regulations –
Communication to Shareholders regarding withholding tax on Dividend**

The Board of Directors of the Company, at their meeting held on Thursday February 08, 2024, have declared an Interim Dividend of Re. 0.60/- per equity share of Rs. 2/- each (i.e. 30%) for the Financial Year 2023-24. In this regard, the Company has sent out e-mail communication to all the shareholders of the Company, whose e-mail addresses are registered with the Company explaining the process of withholding tax on dividend (TDS) paid to the shareholders at prescribed rates along with the necessary annexures. A copy of the aforesaid communication is enclosed for your reference.

This intimation is also being made available on the website of the Company at www.hikal.com.

This is for your information and records.

Thank you,

Yours sincerely,
for HIKAL LIMITED,

Rajasekhar Reddy
Company Secretary

Encl: As above

Hikal Ltd.

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www.hikal.com info@hikal.com CIN: L24200MH1988PTC048028

Dear Shareholder(s),

We wish to inform you that the Board of Directors at its Meeting held on Thursday, February 8, 2024 declared an Interim dividend (Dividend) of Re. 0.60/- (30%), per Equity Share of Rs. 2/- for the Financial Year 2023-24. The dividend, as declared by the Board, will be paid to eligible Shareholders on or before March 9, 2024, subject to deduction of tax at source to those members whose names appear in the register of members of the Company as of end of the day on February 20, 2024, being the record date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered addresses of the Members who have not updated their bank account details. Accordingly, members holding securities in demat mode are requested to update their bank details with their respective depository participants. Members holding securities in physical form should send a request, in the prescribed format along with necessary documents, for updating their KYC details as per SEBI Master Circular no. SEBI/HO/MIRSD/PoD-1/P/CIR/2023/70 dated 17 May 2023, to the Company's RTA i.e. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Road, Vikhroli (W), Mumbai - 400083.

In terms of the provisions of 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. The Company will, therefore, be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax (WHT) rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ Registrar and Transfer Agent (RTA) (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

A. Resident Shareholders:

i. Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Valid PAN updated in the Company's Register of Members	10%	No document required. If dividend does not exceed ₹ 5,000/-, no TDS/ withholding tax will be deducted.
2.	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax, if applicable, will be deducted, if PAN of the shareholder is not registered. All the shareholders are requested to update, on or before 20 February 2024, their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records.
3.	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 20 February 2024.

ii. **No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit following documents as mentioned in the table below by sending an email to tdsdividend@hikal.com on or before 20 February 2024.**

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions.
2.	Shareholders to whom section 194 of the Act does not apply as per second proviso to section 194 such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of the Act, a self-declaration that they have a full beneficial interest with respect to the shares owned by them along with a self-attested copy of PAN.
3.	Shareholder covered u/s 196 of the Act such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 the Act, self-declaration that they are specified and covered under section 10 (23D) of the Act along with a self-attested copy of PAN card.
4.	Category I and II Alternate Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of the Act, self-declaration that their income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card.
5.	Recognised provident funds, approved superannuation fund and approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) along with a self-attested copy of the PAN card.
6.	New Pension System Trust	NIL	Necessary documentation to claim under section 197A(1E) of the Act, self declaration that their income is exempt under section 10(44) of the Act along with a self-attested copy of the PAN card.
7.	Any resident shareholder exempted from TDS deduction as per the provisions of the Act or by any other law or notification.	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS along with a self-attested copy of the PAN card.

Application of nil rate at the time of tax deduction/ withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

B. Non-Resident Shareholders:

The table below shows the withholding tax on dividend payment to non-resident shareholders who submit, on or before 20 February 2024, the document(s), as mentioned in the table below, by sending an email to tdsdividend@hikal.com. In case all necessary documents are not submitted, then the TDS/ withholding tax will be deducted @ 20% (plus applicable surcharge and cess).

Sr. No.	Particulars	Withholding tax rate	Documents required (if any) / Remarks
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non-Resident shareholders.	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial.	<p>FPI registration certificate in case of FIIs / FPIs.</p> <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Self-attested copy of Tax Residency Certificate (“TRC”) issued by revenue authority of country of residence of shareholder for the year in which dividend is received. Kindly note that TRC should cover the period of payment i.e. 2023-24 and should be in English Language. If the local language is other than English, TRC shall be required to be translated into English and be required to be notarized/ apostille; 2. Self-attested copy of PAN card or declaration as per Rule 37BC of Income Tax Rules, 1962 in the specified format. 3. Form 10F furnished electronically on Income Tax portal at www.incometax.gov.in. 4. Self-declaration, primarily covering: <ol style="list-style-type: none"> a. Non-resident is eligible to claim the benefit of respective tax treaty; b. Non-resident receiving the dividend income is the beneficial owner of such income; c. Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India; d. Non-resident complies with any other condition prescribed in the relevant tax treaty and provisions under the Multilateral Instrument (‘MLI’); e. Non-resident does not have a place of effective management in India. <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company).</p>

2.	Availability of Lower/NIL tax deduction certificate issued by Income Tax Authority.	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
3.	Any non-resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act or any other applicable law.	NIL	Necessary documentary evidence substantiating exemption from WHT deduction.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) and other domestic financial institution established in India and Non-Resident Non-Individual Members i.e., Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

The Finance Act, 2021, has *inter alia* inserted the provisions of section 206AB of the Act with effect from July 1, 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- a. At twice the rate specified in the relevant provision of the Act; or
- b. At twice the rates or rates in force; or
- c. At the rate of 5%.

The 'specified person' means a person who has:

- a. not filed return of income for assessment year relevant to the previous year 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 sub-section (1) of Section 139 has expired; and
- b. subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000 or more in the said previous year.

Note: The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

The Forms 15G, 15H and the format of self-declaration referred above, are available on the Company's website www.hikal.com and are also enclosed to this communication. Any communication on the tax/deduction received after 20 February 2024 shall not be considered.

The Company is not obligated to apply the beneficial tax treaty rates at the time of tax deduction/withholding, on dividend amounts. Application of beneficial tax treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders.

TDS is required to be deducted/ withheld at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.

Please note that the aforementioned documents are required to be submitted to the Company by sending an email to tdsdividend@hikal.com on or before 20 February 2024 in order to enable the Company to determine and deduct/withhold appropriate TDS / withholding tax. No communication on the tax determination/ deduction shall be entertained post 20 February 2024.

It may be further noted that in case the tax on said dividend is deducted/withheld at a higher rate in absence of receipt of the aforementioned details/documents from the shareholder(s), there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted/withheld.

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), especially with respect to their residential status, such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation at the time of payment of dividend/during the course of any appellate proceedings.

The Company will arrange to send the TDS certificate to the shareholder's registered email address in due course, post payment of the dividend. In case the shareholder has not registered their email address with Company's Registrar and Transfer Agents, kindly register the same for shareholders holding shares in physical form and with the Depository Participant for shareholders holding shares in demat form.

Above communication on tax deduction at source sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

The clearing members/ trading members holding shares of the Company in their pool account on the record date are advised to take necessary steps to transfer the shares to the demat accounts of beneficial owners, in order to avoid any complications relating to deduction of tax at source, in connection with the dividend.

We also request you to register / update with your Depository Participant your Bank account details for receiving electronic credit of dividends directly into your Bank account, your email IDs, mobile numbers for receiving the Notice, Annual Report, e-voting credentials, login details for attending the general meeting in case you are holding shares in electronic form or with the RTA in case you are holding shares in physical form.

We request your cooperation in this regard.

Yours faithfully
For Hikal Limited

Sd/-
Rajasekhar Reddy
Company Secretary

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