



Divi's Laboratories Limited

Date: May 29, 2025

To
The Secretary
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001

Trading Symbol: **DIVISLAB**

Scrip Code: **532488**

Dear Sir/ Madam,

Sub: Communication to Shareholders - Information regarding deduction of Income tax at source from payment of Dividend for the financial year 2024-25

We hereby inform that the Company has sent detailed communication indicating information regarding deduction of Income Tax at source on dividend and the process and documentation required for claiming exemption from deduction / withholding of tax on dividends on May 28, 2025 to all the Shareholders, whose email addresses are registered with the Company/Depositories.

A specimen copy of the said communication sent to the shareholders is enclosed herewith.

This communication is also available on the Company's website at <https://www.divislabs.com/investor-relations/statutory-communication/#2025-26>.

Thanking you,

Yours faithfully,
For **Divi's Laboratories Limited**

M. Satish Choudhury
Company Secretary & Compliance Officer



DIVI'S LABORATORIES LIMITED

Registered Office: 1-72/23(P)/DIVIS/303, Divi Towers, Cyber Hills, Gachibowli, Hyderabad - 500 032

Tel: +91 40 66966300, Fax: +91 40 66966460, CIN: L24110TG1990PLC011854

E-mail: mail@divislabs.com, Website: www.divislabs.com

Date: May 28, 2025

Ref: Folio / DP Id & Client Id No:

Name of the Shareholder:

Dear Shareholder,

Sub: Divi's Laboratories Limited - Information regarding deduction of Income tax at source from payment of Dividend for the financial year 2024-25 – Regarding

We are pleased to inform you that the Board of Directors of Divi's Laboratories Limited ('the Company'), at its meeting held on May 17, 2025, has recommended declaration of dividend of ₹30 per fully paid-up Equity Share of face value ₹2/- each (i.e. 1,500%) for the Financial Year ('FY') ended March 31, 2025. The aforesaid dividend, if approved by the Shareholders at the 35th Annual General Meeting ("AGM") scheduled to be held on August 11, 2025, shall be distributed amongst the Shareholders on or after August 16, 2025.

The record date is July 25, 2025 for determining the names of the members eligible for dividend on equity shares, if approved.

As you are aware, as per the provisions of the Income-tax Act, 1961 and the Rules framed thereunder, dividend paid or distributed by a company, shall be taxable at the hands of the Shareholders. Accordingly, the Company is required to deduct tax at source from dividend paid to the Shareholders.

This communication provides a gist of the applicable provisions of the Act relating to Tax Deduction at Source ('TDS') on dividend.

I. For Resident Shareholders:

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where Shareholders have registered their valid Permanent Account Number (PAN). In case, Shareholders do not have PAN / have not registered their valid PAN details in their demat account/ PAN is invalid or declared to be inoperative on non-linking of PAN with Aadhaar, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

- a. Resident Individuals:** No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during FY 2025-26 does not exceed ₹10,000/-; or
 - ii. The Shareholder furnishes Form 15G (applicable to resident individual below the age of 60 years) / Form 15H (applicable to a resident Individual aged 60 years and above), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law. Formats of Form 15G and 15H are enclosed herewith as **Annexure 1** and **Annexure 2**, respectively.
 - iii. Exemption certificate, if any, issued by the Income-tax Department.
- b. Resident Non-Individuals:** No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and documents as per the format attached in **Annexure 3**.
- i. **Insurance Companies:** Self declaration that it qualifies as ‘Insurer’ as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity Shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
 - ii. **Mutual Funds:** Self-declaration that it is registered with Securities and Exchange Board of India (‘SEBI’) and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card, certificate of registration with SEBI and notification issued under Section 10 (23D) of the Act.
 - iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
 - iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
 - v. **Other Non-Individual Shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

II. For Non-Resident Shareholders:

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 or Section 196D of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge

and cess) on the amount of dividend payable to them. In case, Non-Resident Shareholders provide a certificate issued under Section 197/195 of the Act, for lower/nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

- b.** Further, as per Section 90 of the Act, the non-resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) 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 Tax Treaty benefit, the non-resident Shareholders are required to provide the following:
- i.** Self-attested copy of the 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) Tax Identification Number of the residency country (format attached herewith as **Annexure 4**).
 - ii.** Self-attested copy of Tax Residency Certificate (TRC) (For FY April 1, 2025, to March 31, 2026) obtained from the tax authorities of the country of which the Shareholder is a resident.
 - iii.** E-filed Form 10F (filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated July 16, 2022) valid for the period April 2025 to March 2026.
 - iv.** Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (For FY April 1, 2025 to March 31, 2026) (format attached herewith as **Annexure 4**).
 - v.** In case of Foreign Institutional Investors and Foreign Portfolio Investors copy of SEBI registration certificate.
 - vi.** In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24-Limitation of Relief under India-Singapore DTAA.

It is recommended that Shareholders should independently satisfy their eligibility to claim DTAA benefit including fulfilling of all the conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident Shareholder.

III. Lower withholding as per Certificate under Section 197:

In case, shareholders (resident or non-resident) provide certificate under Section 197 of the Act, for lower / nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the certificate.

Please note that Shareholders should seek the lower withholding certificate on the **TAN – HYDD00401C** of the Company to enable the Company to grant the benefit of the lower withholding certificate. Any certificate received in any other TAN of the Company will not be accepted.

Accordingly, to enable us to determine the appropriate withholding tax rate, as applicable, **we request you to provide these details and documents as mentioned above, on or before July 25, 2025 (cut-off period)**. Any documents submitted after cut-off period may not be accepted by the Company for this purpose.

PAYMENT OF DIVIDEND

The dividend on Equity Shares for FY 2024-25, once declaration thereof is approved by the Shareholders of the Company at the AGM, will be paid after deducting the tax at source as mentioned in the earlier paragraphs. The following provisions under the Act will also be considered to determine the applicable TDS rate:

A. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by the Government on PAN Aadhaar linking.

B. Declaration under Rule 37BA of the 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 such deductee should file declaration with Company in the manner prescribed in the Rules. **Any documents submitted after cut-off period will not be accepted by the Company.** Format of declaration under Rule 37BA of the Rules is attached as **Annexure 5** and **Annexure 5a** - Appendix A for Rule 37BA.

C. For Shareholders having multiple accounts under different status / category:

Shareholders holding Equity Shares 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 held under a PAN will be considered on their entire holding in different accounts.

SUBMISSION OF TAX RELATED DOCUMENTS:

The documents such as Form 15G/ 15H, documents under Section 196, 197A of the Act, etc. can be uploaded on the link <https://ris.kfintech.com/form15/> or <https://ris.kfintech.com/clientservices/isc/> on or before July 25, 2025 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post July 25, 2025, shall not be considered.

Any member facing difficulty in submitting disclosures using the aforementioned link may please seek assistance by sending email to einward.ris@kfintech.com and dividendtds@divislabs.com.

Documents sent to any other email ids may be tantamount to non-submission of documents and attract TDS as per the provisions of the Act.

It may be noted that in case the tax on said dividend is deducted at a higher rate in absence of the aforementioned details/documents, Shareholders would have an option to claim an appropriate refund in their return of income, if eligible, from the concerned Income-tax Authorities.

The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with Kfin post submission of respective return with income tax department. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.

UPDATION OF BANK ACCOUNT DETAILS:

To facilitate receipt of dividend directly in your bank account, you are requested to ensure that the bank account details in your respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in your bank accounts.

Shareholders holding shares in physical folios are requested to note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR /2021 /687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

We seek your cooperation in this regard.

Thanking you,

For Divi's Laboratories Limited

Sd/-

M. Satish Choudhury

Company Secretary & Compliance Officer

Enclosures: *(Click on annexure to access the form)*

- a) **Annexure 1** - FORM 15G
- b) **Annexure 2** - FORM 15H
- c) **Annexure 3** - Declaration of Category of Shareholder
- d) **Annexure 4** - Declaration Regarding Tax Residency
- e) **Annexure 5** - TDS Declaration Format Under Rule 37BA
- f) **Annexure 5a** - Appendix A for Rule 37BA

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

Note: This is a system generated e-mail. Please do not reply to this e-mail.