August 27, 2026

BSE Limited,	**National Stock Exchange of India Limited,**
P J Towers,	Exchange Plaza,
Dalal Street,	Bandra-Kurla Complex, Bandra,
Mumbai - 400 001.	Mumbai - 400 051.
Scrip Code: 524735	**Symbol: HIKAL**

Dear Sir/Madam,

Subject: Communication to the Shareholders - Intimation of Tax Deduction on Dividend

Pursuant to provisions of the Income Tax Act, 2025, dividend income is taxable in the hands of the shareholders. In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/ Register and Share Transfer Agents/ Depositories, elaborating the process to be followed in respect of the applicability of tax deduction and formalities to be complied by the shareholders to ensure appropriate deduction of tax on the dividend, if declared and payable during the financial year 2026-27.

This intimation is also being uploaded on the Company's website at www.hikal.com.

You are requested to kindly take the same on record.

Yours sincerely,
For **Hikal Limited**

RAJASEKHAR REDDY CHINTAKINDI
Digitally signed by RAJASEKHAR REDDY CHINTAKINDI
Date: 2026.08.27 16:48:09 +05'30'

Rajasekhar Reddy
Company Secretary & Compliance Officer

Encl: As above

HIKAL LIMITED
Regd. Office: 717/718, 7th Floor, Maker Chamber V, Nariman Point, Mumbai – 400 021.
Corporate Identification No.: L24200MH1988PTC048028
Tel No.: 022 6277 0477/ 6277 0500
Email: secretarial@hikal.com Website: www.hikal.com

August 27, 2026

TDS COMMUNICATION

Folio/ DP id & Client Id No: **XXXXXXXX**

Name: ******* *****

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on Wednesday, May 27, 2026, has recommended a Final Dividend of Rs. 0.40/- paise per equity share having a face value of Rs. 2/- for the Financial Year ended March 31, 2026, and the said Final Dividend will be payable post approval of the shareholders at the ensuing 38th Annual General Meeting ("AGM") of the Company to be held on Wednesday, September 23, 2026.

As per the Income Tax Act, 2025 (the Act), dividends paid or distributed by the Company are taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of the said Dividend if approved at the aforesaid AGM.

Please note that the Company has fixed Friday, September 04, 2026, as the record date for identification and determining the eligibility of shareholders to whom the final dividend will be paid.

Shareholders are requested to ensure that their bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividends in their bank accounts.

The tax deduction rates would vary depending on the residential status of the shareholders, documents submitted by the shareholders and accepted by the Company. This communication provides a brief of the applicable TDS Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

FOR RESIDENT SHAREHOLDERS

Tax is required to be deducted at source under Section 393(1) read with 393(4) 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 a PAN / invalid PAN/ PAN not linked with Aadhar, TDS at the rate of 20% shall be deducted under Section 397(2) of the Act.

A. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if:

i. The total dividend amount to be received by them during the Tax Year (TY) 2026-27 does not exceed Rs. 10,000/-; or
ii. The shareholder provides Form 121 (applicable to all individuals irrespective of the age) 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 fulfill the prescribed requirement under the Act. The template of Form 121 is enclosed as **Annexure 1.**

iii. An exemption certificate is issued by the Income-tax Department, if any.

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 2**.

i. **Insurance Companies**: Self-declaration that it qualifies as an '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 a 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 SEBI and as specified under Schedule VII to section 11 of the Act along with a self-attested copy of PAN card and certificate of registration with SEBI.

iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Schedule V to section 11 of the Act, and they are registered with SEBI as Category I or Category II AIF along with a 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 an NPS trust and income is eligible for exemption under Schedule VII to section 11 of the Act, and being regulated by the provisions of the Indian Trusts Act, 1882 along with a self-attested copy of the PAN card.

v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with a self-attested copy of PAN card.

C. In case, shareholders (both individuals or non-individuals) provide a certificate under Section 395(1) of the Act, for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, on submission of a self-attested copy to the company.

Note: Recording of the PAN for the registered Folio/DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, under Section 397(2) of the Act.

FOR NON-RESIDENT SHAREHOLDERS

As per the Domestic Tax Law

Taxes are required to be withheld in accordance with the provisions of Section 393(2) of the Act , as per the rates 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 395(1) of the Act, for lower/ Nil withholding of taxes, the rate specified in the said certificate shall be considered, on submission of a self-attested copy of the same.

As per the Double Tax Avoidance Agreement (DTAA)

i. **Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI):** As per Section 159 of the Act, the non-resident shareholder, including Foreign Institutional Investors and Foreign Portfolio Investors, has the option to be governed by the provisions of the 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 DTAA benefits, the non-resident shareholders are required to submit the following:

a) Self-attested copy of the PAN card allotted, if any, by the Indian Income Tax authorities.

b) Self-attested copy of Tax Residency Certificate (TRC) for the tax year April 1, 2026, to March 31, 2027, or calendar year 2026, valid as on record date, obtained from the tax authorities of the country of which the shareholder is a resident.
c) Shareholders need to mandatorily provide digital Form 41 covering the period from April 1, 2026, to March 31, 2027 (Refer Annexure 3 for procedure to file electronic Form 41)
d) In case of Foreign Institutional Investors and Foreign Portfolio Investors, a copy of the SEBI registration certificate.
e) Self-declaration by shareholders of meeting treaty eligibility requirements and satisfying beneficial ownership requirements. (Tax year April 1, 2026, to March 31, 2027) (format attached herewith as Annexure 4) (Required only where Tax treaty benefit needs to be availed).

i. In case the **shareholder is a 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 the India-Singapore Double Taxation Avoidance Agreement.

ii. In case, shareholders provide a certificate under section 395(1) of the Act, for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, on submission of a self-attested copy to the company.

Notes:

- Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction /withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.
- Accordingly, to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned above, **on or before Thursday, September 10, 2026**. Any documents submitted after **Thursday, September 10, 2026** shall not be considered by the Company.

PAYMENT OF DIVIDEND

The dividend on Equity Shares for FY 2025-26, once approved by the shareholders of the Company at the 38st 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:

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

As per Section 262 of the 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 397(2) of the Act. The Company will be using the functionality of the Income-tax department for the above purpose.

Declaration under Rule 203- Transferring credit to the beneficial owner

In terms of Rule 203 of the Income Tax Rules 2026, 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 the declaration with the Company in the manner prescribed in the Rules. (format attached herewith as **Annexure 5**)

For shareholders having multiple accounts under different status /category:

Shareholders holding equity shares under multiple accounts under different status/category and a 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 121 and documents under sections 393(5), 393(6), etc. can be downloaded from the web link https://www.hikal.com/documents/tds-on-dividend

Kindly note that the duly completed and signed documents as mentioned above are required to be submitted to the Company / Registrar at e-mail ID tdsdividend@hikal.com **on or before Thursday, September 10, 2026,** in order to enable the Company to determine and deduct the appropriate TDS / withholding tax rate. **Any communication on the tax determination/deduction received post Thursday, September 10, 2026, shall not be considered.**

Documents sent to any other email IDs may lead to non-submission of documents and attract TDS as per the provisions of the Act**.**

It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available for you to file the return of income and claim an appropriate refund, if eligible.

The Company will issue a soft copy of the TDS certificate to its shareholders to email registered with the Depository Participant / Registrar and Share Transfer Agent (RTA) post payment of the Dividend. The tax credit can also be viewed in Form 168 by logging in with your credentials (with a valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax Department of India https://www.incometax.gov.in/iec/foportal

UPDATION OF BANK ACCOUNT DETAILS

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

NOTES:

i. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, and mobile number by submitting the relevant details to Company's RTA i.e. MUFG Intime India Private Limited at investor.helpdesk@in.mpms.mufg.com. Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
ii. After receipt of any of the above declarations, on the basis of its independent assessment, if the Company finds any information that is contrary to the declarations received by it, the Company reserves the right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
iii. Determination of TDS rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participants in case shares are held in dematerialized form, or RTA in case shares are held in physical form as on the record date, and other documents available with the Company / RTA. In this respect, the Company reserves the right to independently verify the PAN number of the shareholder from the Depository Participants utility and if the same is found contrary to the PAN quoted/ provided, the Company will disregard the PAN and proceed as per the prevalent law.

iv. The documents furnished by the shareholders shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or if the documents are found to be incomplete.
v. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
vi. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any tax proceedings.
vii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
viii. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at a higher rate, as applicable, without any further communication in this regard.

We request your cooperation in this regard.

Yours sincerely,

For Hikal Limited

Sd/-

Rajasekhar Reddy
Company Secretary

Note: Please don't reply to this e-mail, as this e-mail id is not monitored.