TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND

Regd. Office:
Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013

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TDS on Dividend Amount

As per the Indian Income Tax Act, 2025 ('the Act'), dividends paid or distributed by the Company is taxable in the hands of the shareholders. Accordingly, companies are required to deduct tax at source from dividends paid to shareholders.

- The rate of deduction of tax depends on:
  - Residential status of the shareholder
  - Valid tax registration (PAN or equivalent tax payer identification)
  - The documents/declarations submitted by the shareholder and accepted by the Company.

For resident individual shareholders:

- As per section 393(1) [Table: Sr. No. 7] of the Act, any domestic company making payment to a resident shareholder shall deduct tax 10% at the time of payment of dividend to shareholder if it exceeds Rs. 10,000 and who has provided valid PAN. However, on submission of any lower withholding tax certificate under provision of the Act for Tax Year 2026-27, the withholding tax shall be at the rate mentioned in the certificate issued by the authority.
- As per section 393(4) [Table: Sr. No. 10], no tax shall be deducted if the amount or aggregate of amounts of such dividend distributed or paid or likely to be distributed or paid during the tax year does not exceed Rs. 10,000 and the dividend is paid in any mode other than in cash.
- As per section 393(6) of the Act, if shareholder provides duly filed declaration in Form 121 for relevant tax year (T.Y. 2026-27) complete in all respects and all the required eligibility conditions are met then, NIL tax will be deducted at source.
- The new taxation regime under Section 202 of the Act is the default tax regime as per Income Tax Provisions. Accordingly, we shall consider the forms for exemption only in cases where estimated total income for individual whose age is below 60 years is <= Rs. 4,00,000 and in case of individual exceeding age of 60 years is <= Rs. 12,00,000 as per provisions of Section 393(6) of the Act.
- In case of invalid or non-availability of PAN, tax will be deducted at the rate of 20%.

For resident shareholders other than individual (HUF/ LLP/AOP/Companies/Firm/Trust):

- At 10% on the entire amount of dividend to be received by the shareholder without any threshold. However, on submission of any lower withholding tax certificate or any exemption status under provision of the Act obtained by shareholders for Tax Year 2026-27, the withholding tax shall be at the rate mentioned in the certificate issued by the authority.
- In case of invalid or non-availability of PAN, the withholding tax shall be at 20%.

The User Manual for filling and submission of declarations on the above link is enclosed with this communication.

For other category shareholders, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government) etc:

In order to provide exemption from withholding the taxes on dividend payable, the shareholder has to provide self-declaration along with their registration with concerned authority about their category, such as:-

- Declaration and registration certificate by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938.
- Declaration and registration certificate by Mutual Fund shareholder eligible for exemption under Schedule VII (Table: S. No. 20 and 21) of Act.
- Declaration and registration certificate by Category I/II Alternate Investment Fund ('AIF') registered with SEBI.
- Self-attested copy of valid approval granted by approving authority as per relevant Income Tax Rules of Schedule XI of Act to Recognized Provident Fund / Approved Gratuity Fund/ Approved Superannuation Fund.
- The aforesaid declarations are to be submitted through the following link: https://easydividend.nexdigm.com/Shareholders on or before Monday, 15th June, 2026 for applying the beneficial tax rate. No declaration will be accepted from the shareholders after the stipulated date.

For non-resident shareholders including Foreign Portfolio Investor (FPI)/(FII) Category:

At 20% (plus applicable surcharge and cess) on the entire amount of dividend to be received by the shareholder without any threshold. However, as per Section 159 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) 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 a lower rate of deduction of tax at source under an applicable tax treaty read with multilateral instruments, if applicable, such non-resident shareholders must provide the following:

- Self-attested copy of the PAN allotted by the Indian Income Tax authorities, if any.
- Self-attested copy of Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is resident for Tax Year 2026-27 and containing TRC number., if available.
- Self-attested copy of acknowledgement and copy of Form 41 filed online for Tax Year 2026-27 in https://www.incometax.gov.in/iec/foportal/.
- Self-declaration, certifying the following points that no PE declaration should cover points given below:
  i. Non-Resident is and will continue to remain a tax resident of the country of residence during Tax Year 2026-27.
  ii. Non-Resident is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company.
  iii. Non-Resident has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner.
  iv. Non-Resident is the ultimate beneficial owner of the shareholding in the Company and Dividend receivable from the Company.

v. Non-Resident does not have a taxable presence or a permanent establishment in India during Tax Year 2026-27.

vi. The aforesaid declarations are to be submitted through the following link: https://easydividend.nexdigm.com/Shareholders on or before Monday, 15th June, 2026 for applying the beneficial tax rate. No declaration will be accepted from the shareholders after the stipulated date.

***Note** : As per the Act and rules thereto, for generating certificate for foreign remittances to non-resident shareholder (i.e., Form 145 and/or 146), mentioning Tax Identification No. ('TIN') or equivalent unique identification number is mandatory irrespective whether DTAA benefit claimed or not. Thus request every non-resident shareholder to provide TIN or equivalent unique identification number.*

Benefit under Rule 203

If dividend income on which tax has been deducted at source is assessable in the hands of a person other than the shareholder, then declaration needs to be provided by shareholder as per Rule 203 of the Income-tax Rules, 2026. The aforesaid declaration is to be e-mailed to dividend.cipla@nexdigm.com.

General Instructions:

- All the documents submitted by the shareholder will be verified by the Company / its Authorised Representative and the Company will consider the same while deducting appropriate taxes, if they are in accordance with the provisions of the Act
- For resident shareholders, the rate of TDS would not be increased by surcharge and cess. For non-resident shareholders, the rate of TDS would be increased by applicable surcharge and cess.
- The Company is not obligated to apply the beneficial DTAA rates at the time of withholding tax on the dividend amount. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholder.
- The Company will arrange to email a soft copy of the TDS certificate at the registered email id of the shareholders within statutory timelines mentioned in the Income Tax Rules, 2026. The shareholders will also be able to see the credit of TDS in their Form 168, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.
- If for any reason the tax on dividend is deducted at a higher rate for the shareholder, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
- 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 shareholders, such shareholders will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and cooperate in any proceedings before any income tax/appellate authority.
- The above withholding tax is in summarised form of law and not detailed analysis nor any tax advice. For detailed tax advice related to their tax matters, shareholders are advised to seek professional guidance.

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User guide for

Easy Dividend - Form 121 / Tax Treaty Declaration Filing

www.nexdigm.com

The shareholders can follow these steps based on their category.

Type of Shareholders	Declaration Type	Reference Steps	Page Number
Resident Individual Shareholders	Form 121	Step 1 - 6	2 - 13
Other Resident Shareholders	Documents such as lower deduction certificate, Mutual Fund / Insurance / NPS / AIF declarations	Step 1 - 3 and Step 7 – 8	2 - 6 and 14 - 16
Non-resident Shareholders	Tax Treaty documents such as TRC, No PE, Form 10F, etc.	Step 1 and Step 9 – 10	2 and 17 - 20
Resident Shareholders (Recently Purchased shares)	Form 121 / documents such as lower deduction certificate, Mutual Fund / Insurance / NPS / AIF declarations	Step 1 – 2 and Step 11	2 - 3 and 21 - 22

Step 1: **Access the Easy Dividend Portal**

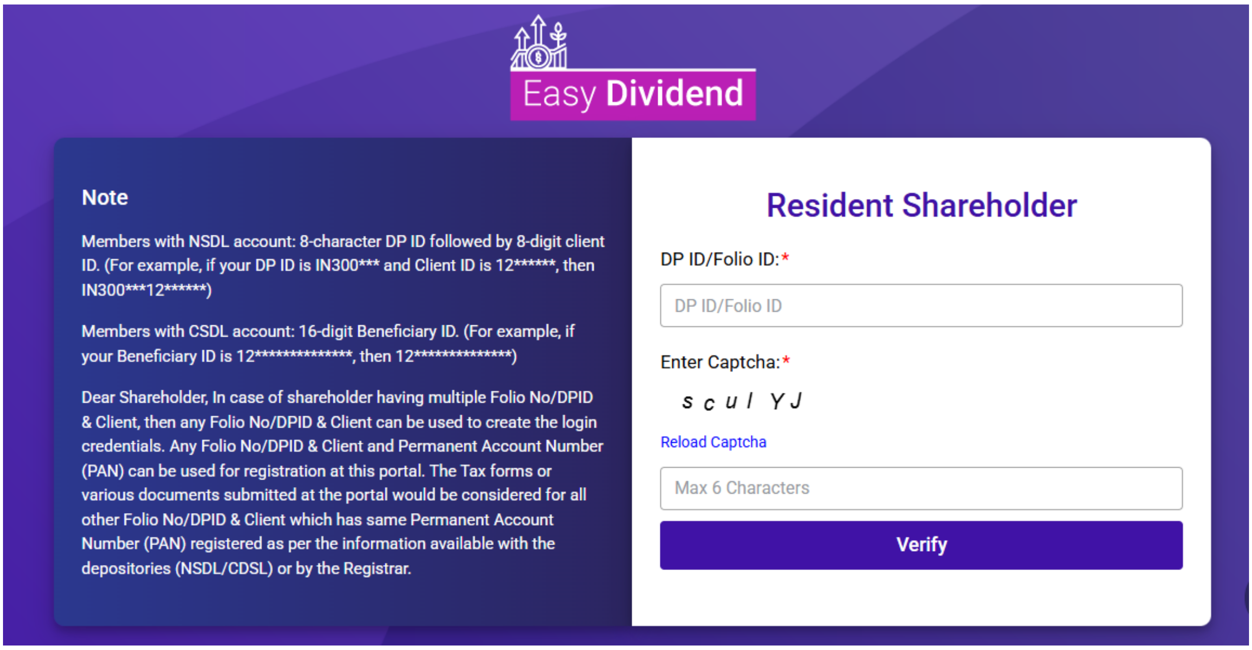
Please click on the link provided in the email from Share Transfer Agent / RTA or the Company to access the Easy Dividend Portal:

https://easydividend.nexdigm.com/

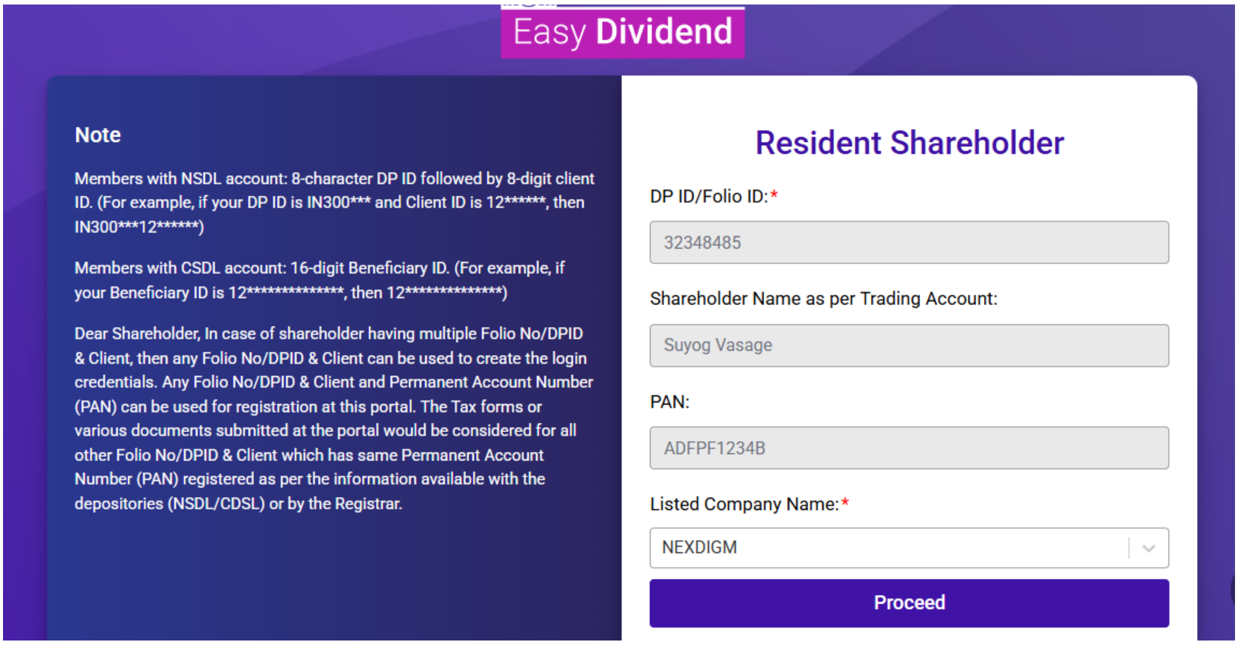
In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 2: Verification of Details (for Residents)

Please enter your **DPID/Folio ID** and enter **Captcha** to verify your details



Select the name of the Company from the dropdown list and press ‘**Proceed**’ button



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

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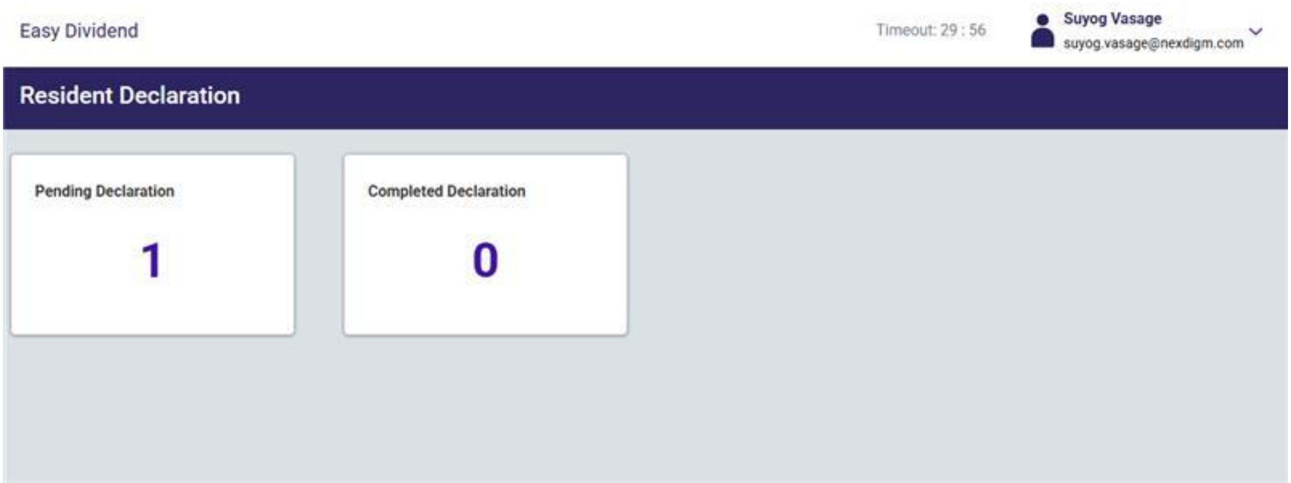
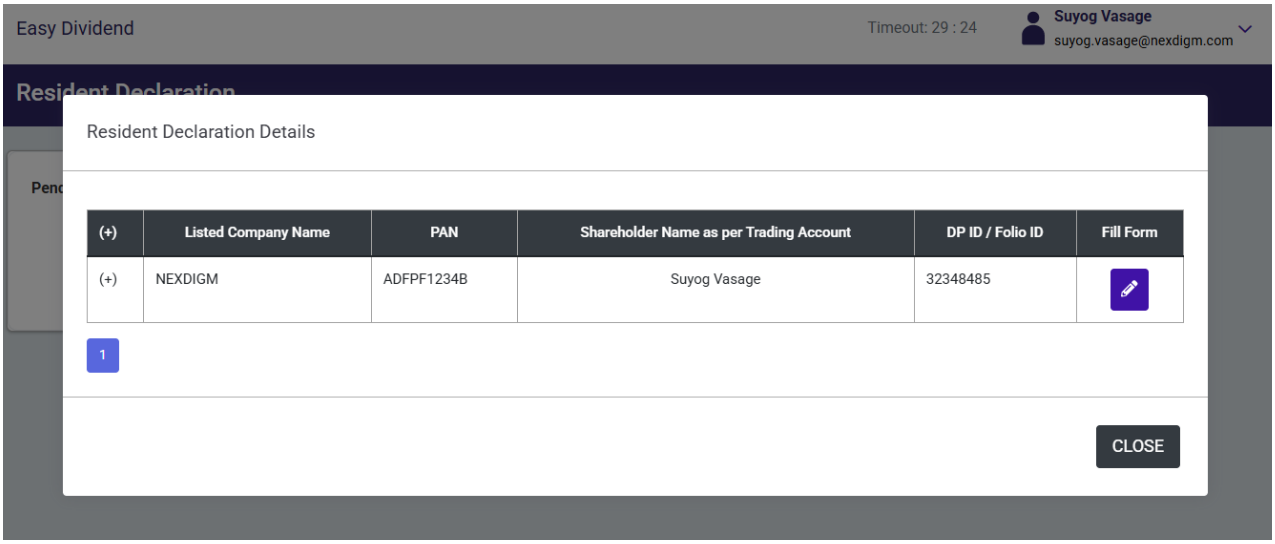
Step 3: **Filling the Declaration**

After logging in, please click on **Pending Declaration** to access the Form

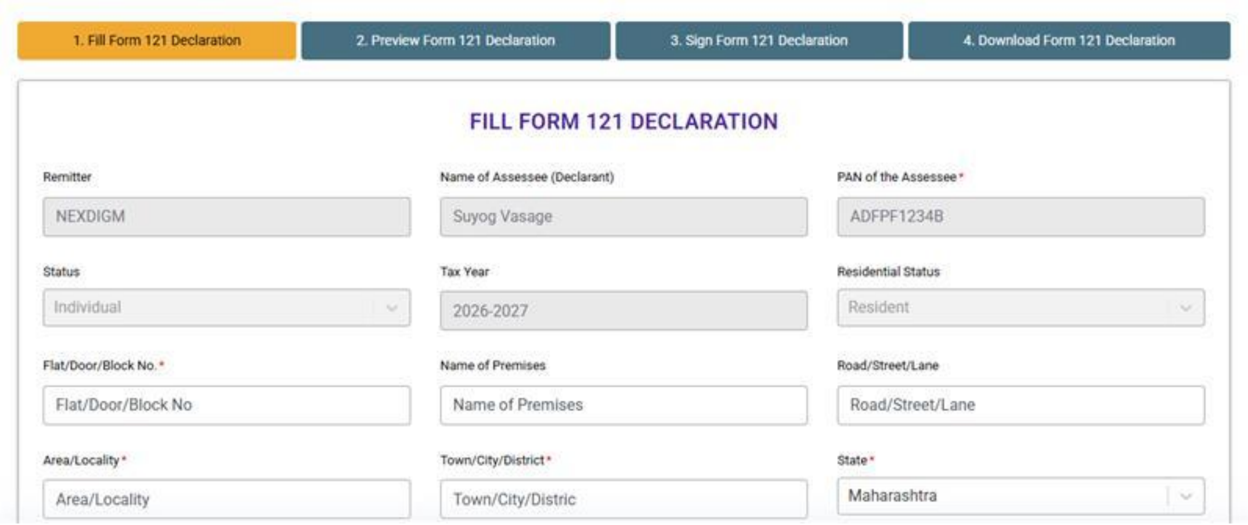


Subsequently, please click on '**Fill Form**' button to access the fillable Form 121

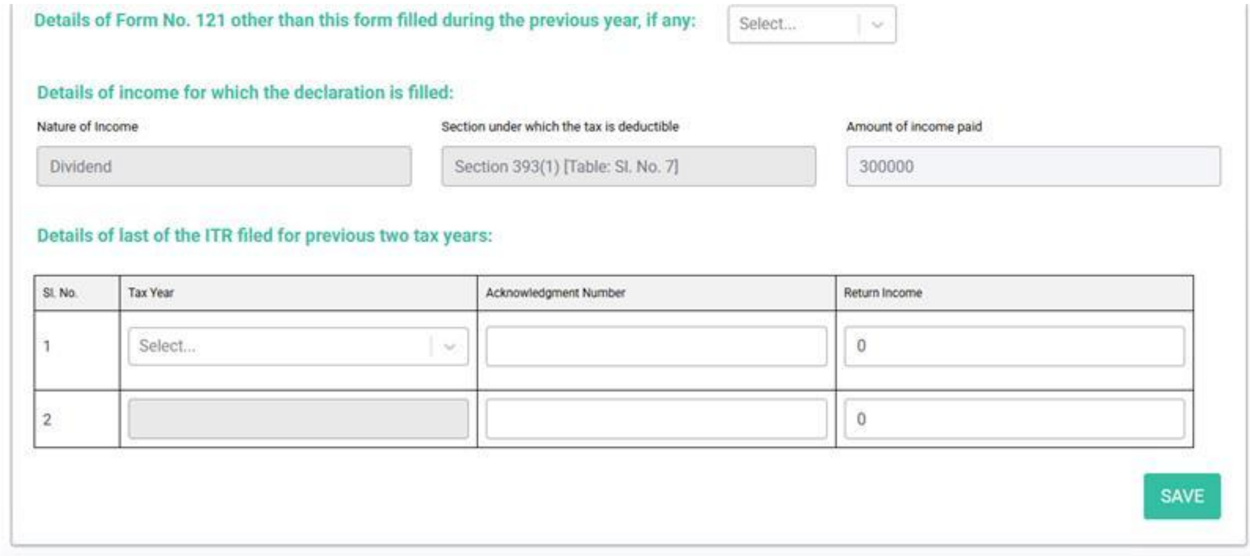


In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Fill the details in the Form 121 Declaration in the relevant fields. The fields marked in Red Asterisk (*) are mandatory

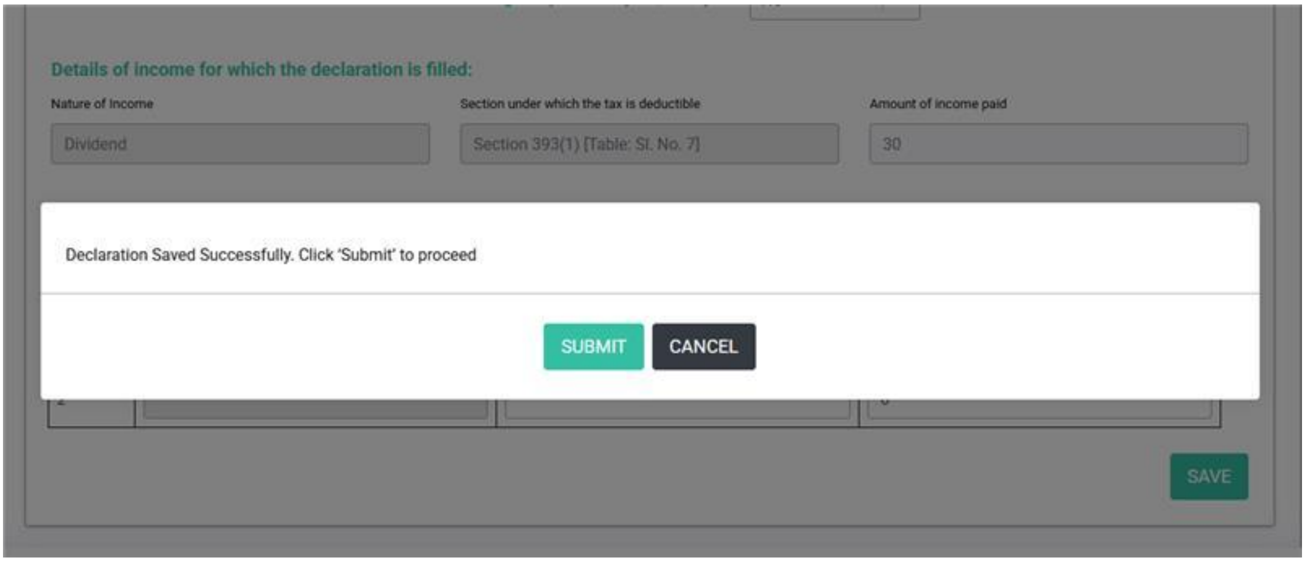


After filling in the mandatory details in the form, click on '**SAVE**' button



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

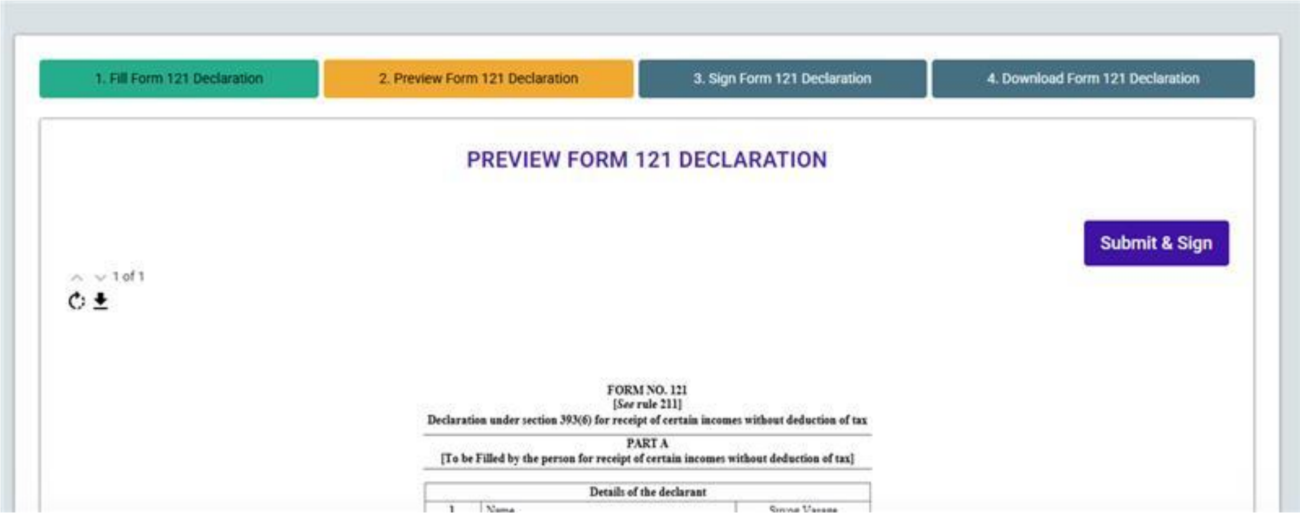
Press '**SUBMIT**' button to proceed



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 4: **Previewing the Filled Form**

1. After submitting the declaration, you can preview the form;
2. Please go through the form and click on '**SUBMIT & SIGN**' button

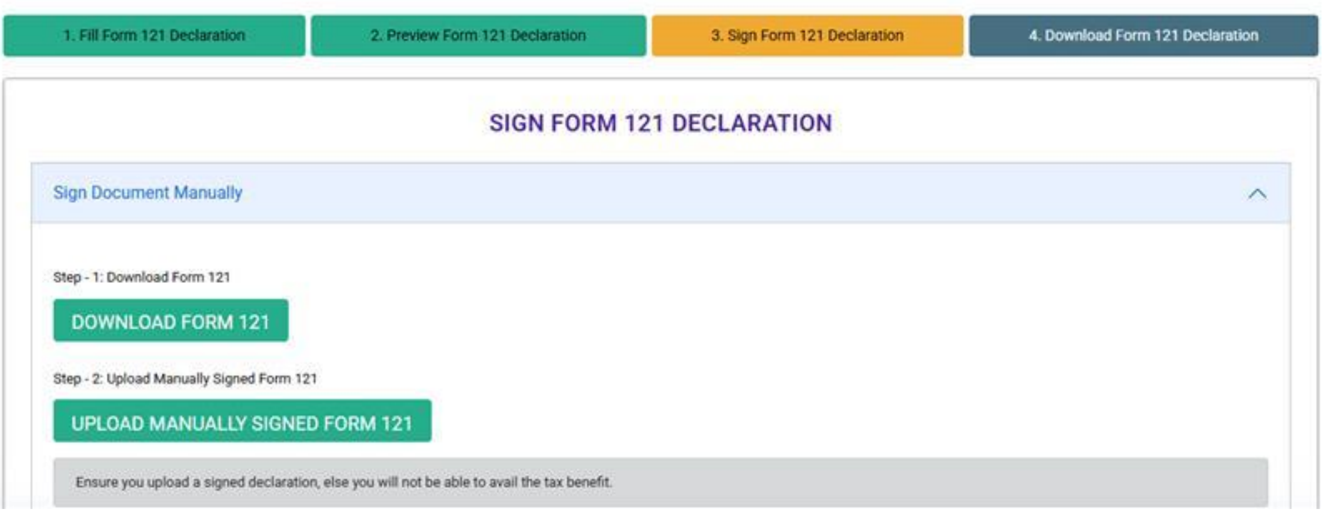


In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 5: Signing the Form

There are multiple options available to sign:

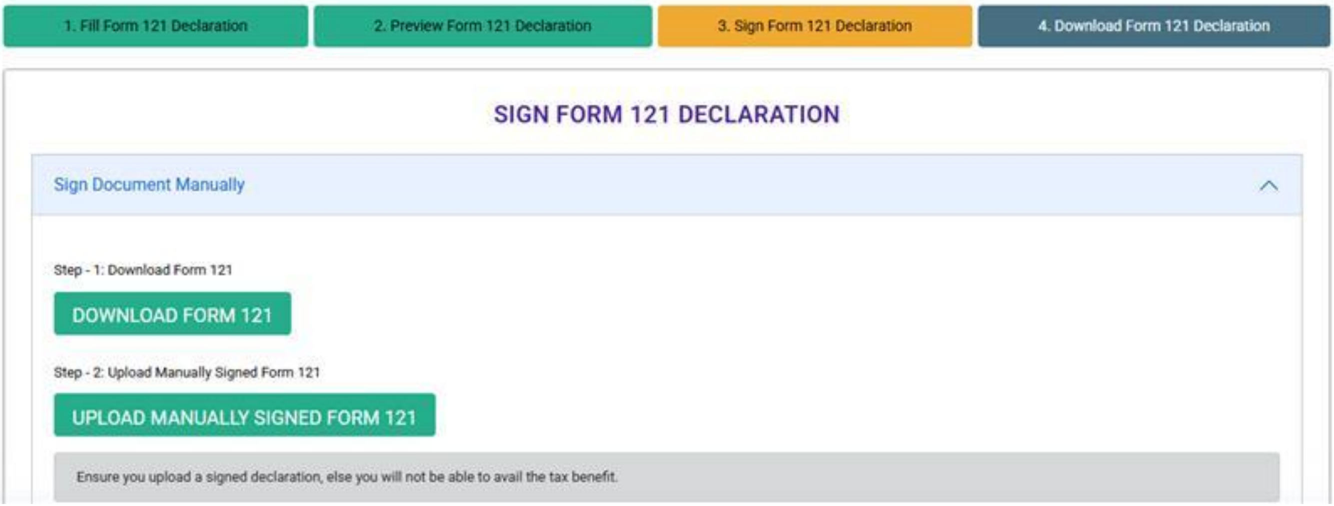
1. You can sign by uploading manually signed form;
2. You can e-sign using Aadhaar/PAN;
3. You can sign using Digital Signature Certificate (DSC Token);
4. You can e-sign using placing your own signature (either by mentioning name or drawing or uploading signature)



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 5A: **Signing Document Electronically**

In order to sign the document electronically, click on ‘**ELECTRONIC SIGN**’ button



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

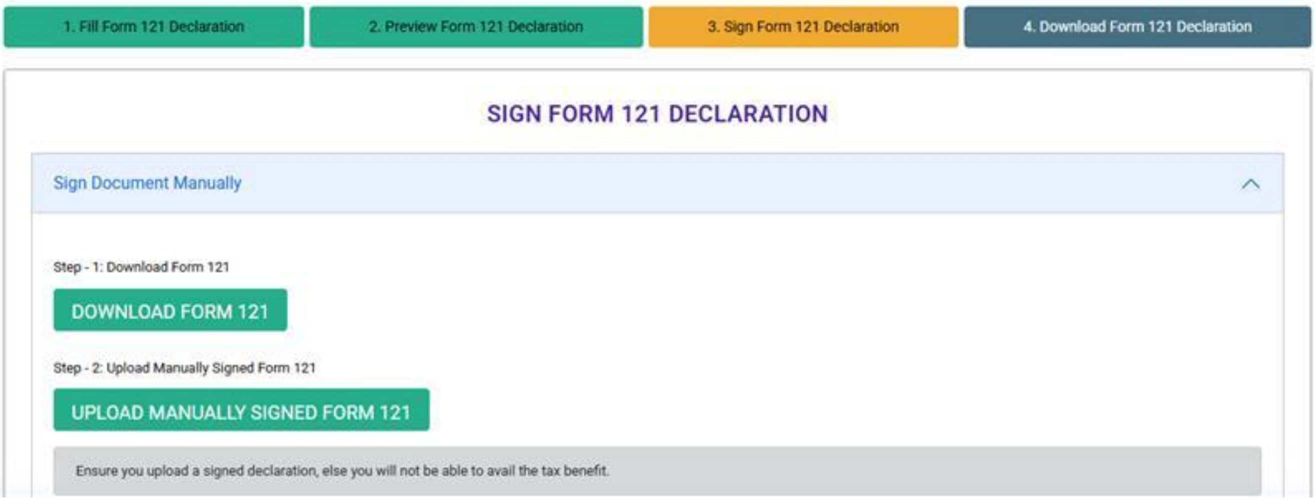
You will be redirected to **emSigner gateway** for signing the declaration

Select your preferred method and click on ‘**SIGN**’ button to digitally sign the form

In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 5B: **Signing Document Manually**

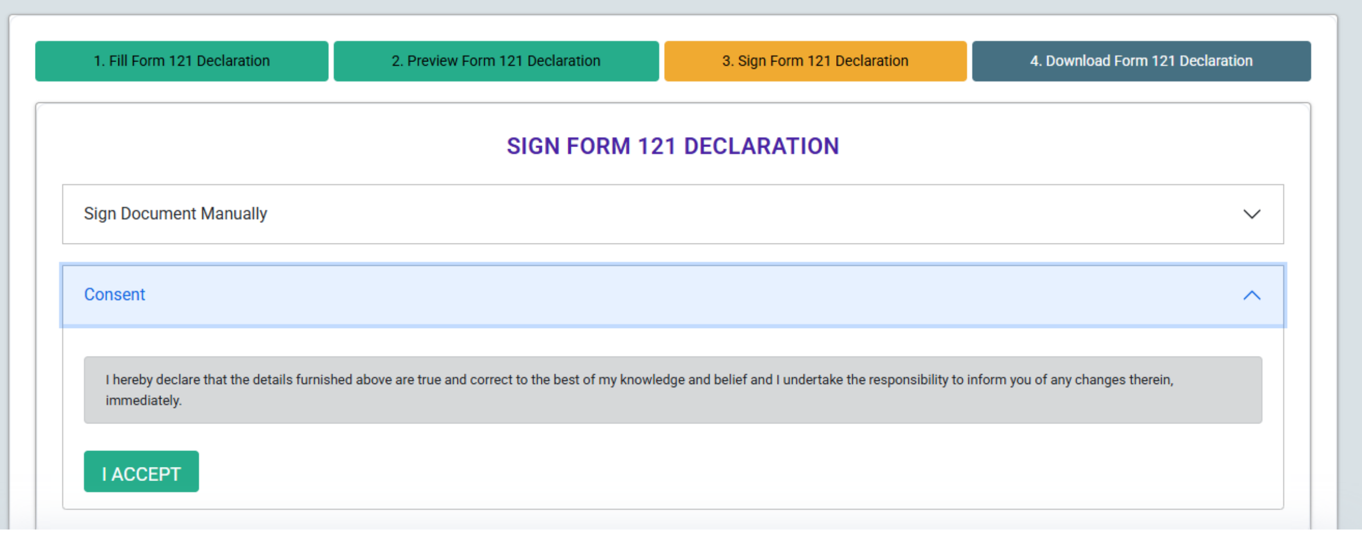
- In order to sign the document manually, click on '**Download Form 121**' button to download pdf form
- Sign the Form and upload the scanned copy of the same by clicking on '**Upload Manually Signed Form 121**'



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 5C: **Providing Consent**

In order to sign the document by providing your consent, click on '**I Accept**' button



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Step 6: **Downloading the Signed Declaration**

After signing the document, you will be allowed to download the signed form for records by clicking on **DOWNLOAD** button

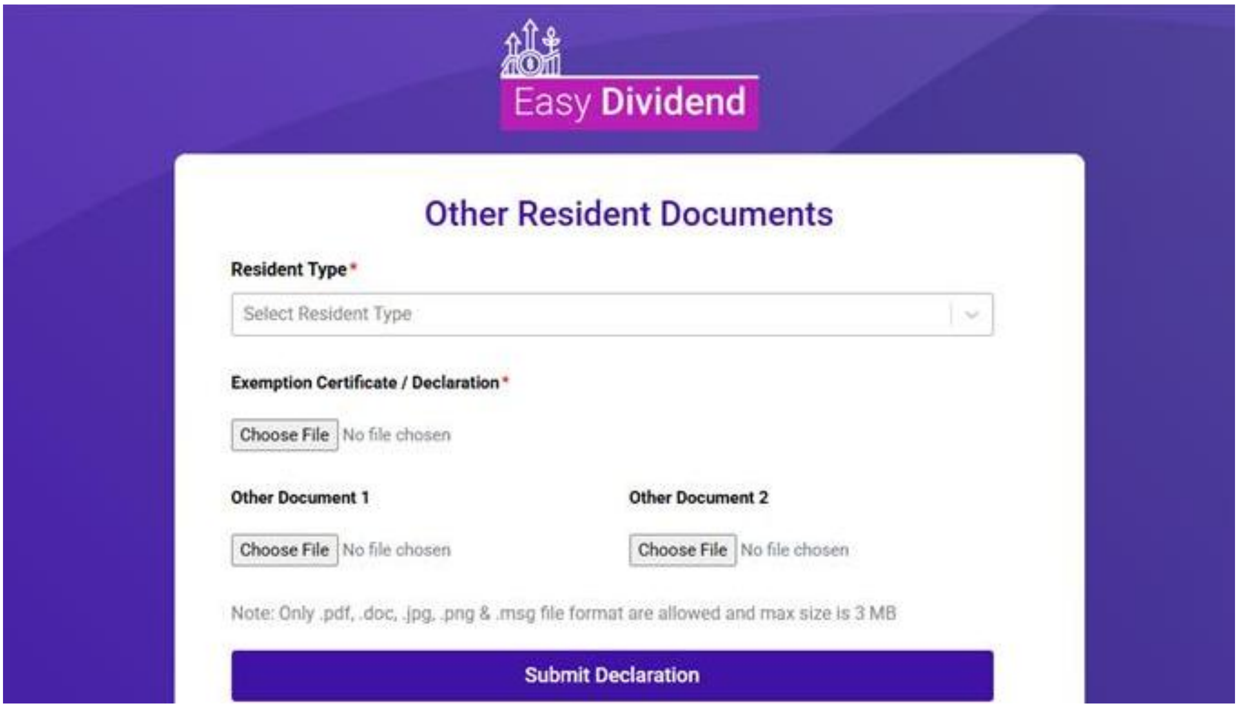
You have successfully furnished the declaration. An email providing the declaration shall be sent on your registered email ID. You can log out from the application.

For Other Resident Shareholders

After following Step 1 & 2, please follow the below steps:

Step 7: **Selection of type of Shareholder**

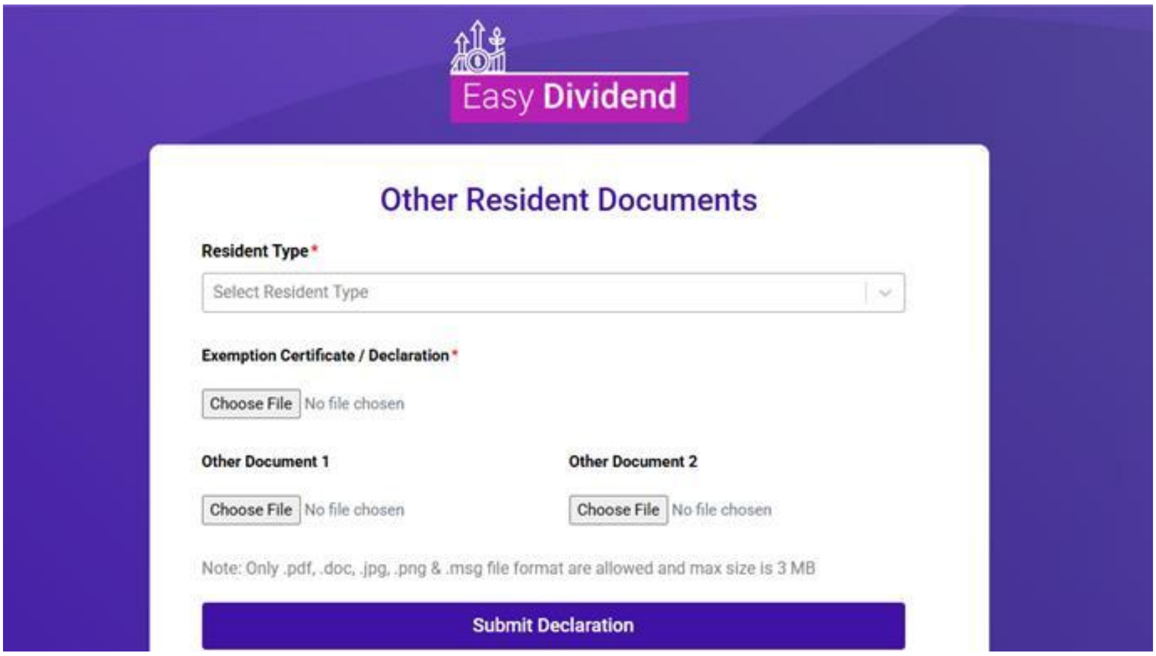
The shareholder can select their type (i.e. LIC, Mutual Funds, Others) from the drop down list and upload



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

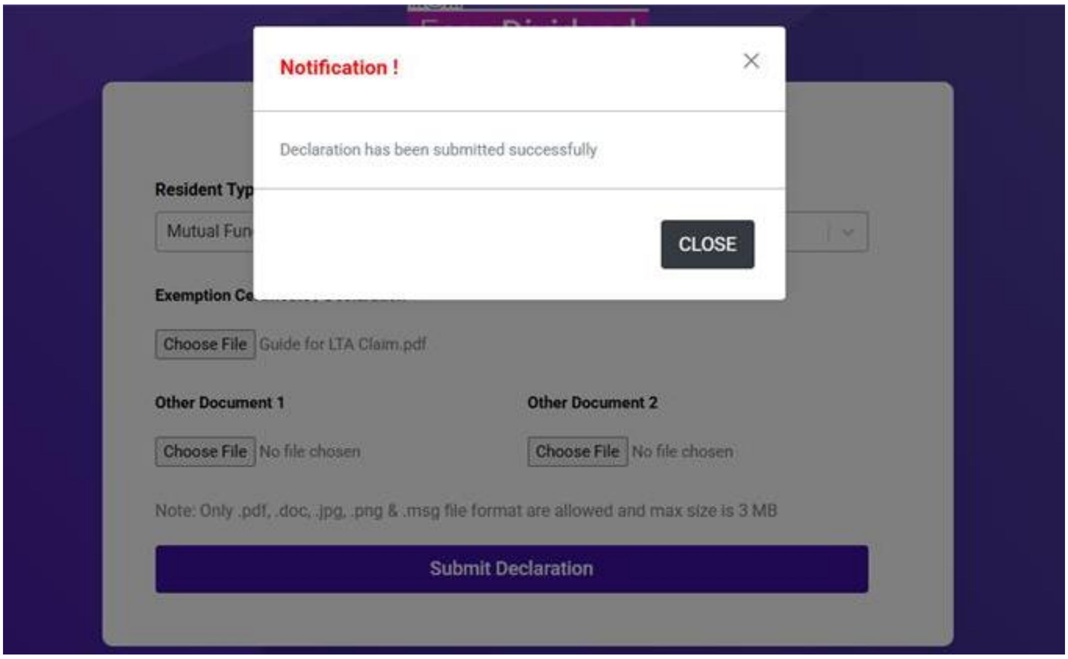
Step 8: **Uploading Exemption Declaration/Documents**

Shareholders can upload the necessary declarations/documents by clicking on '**Choose File**' button. Once the documents have been uploaded, click on '**Submit Declaration**' button.



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

You will get a notification mentioning '**Declaration has been submitted successfully**'.



You have successfully submitted the Tax Treaty Documents. A confirmation email shall be sent on your registered email ID. You can click on '**CLOSE**' button to log out from the application.

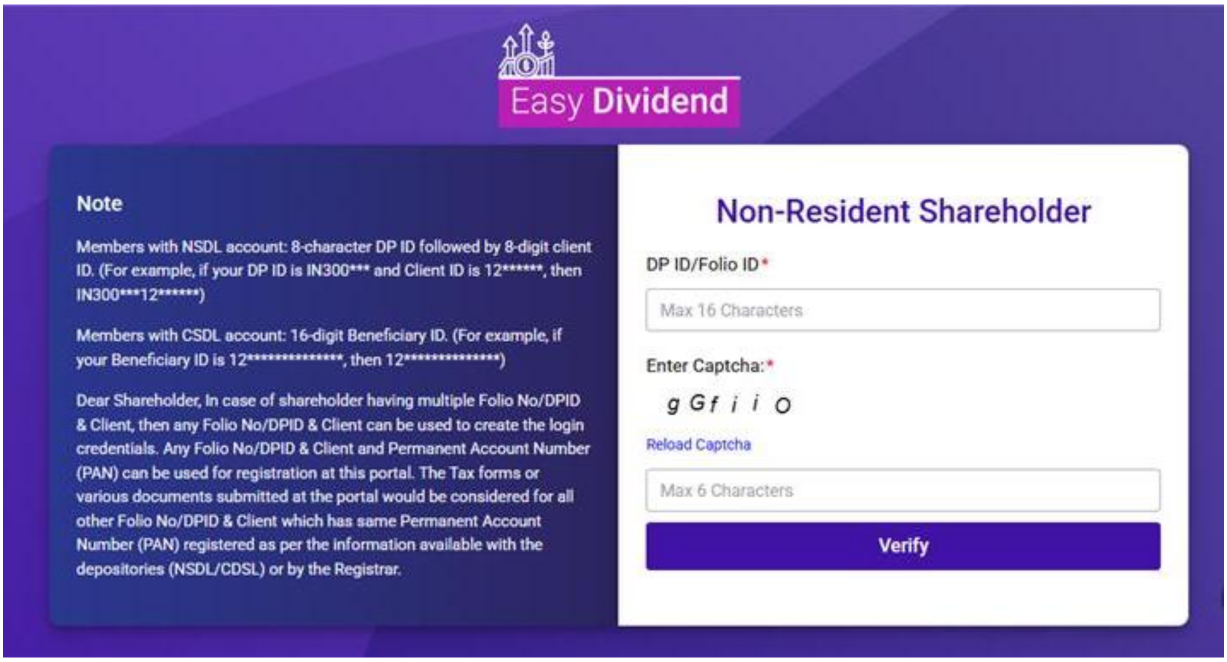
In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

For Non-Resident Shareholders

After following Step 1, please follow the below steps:

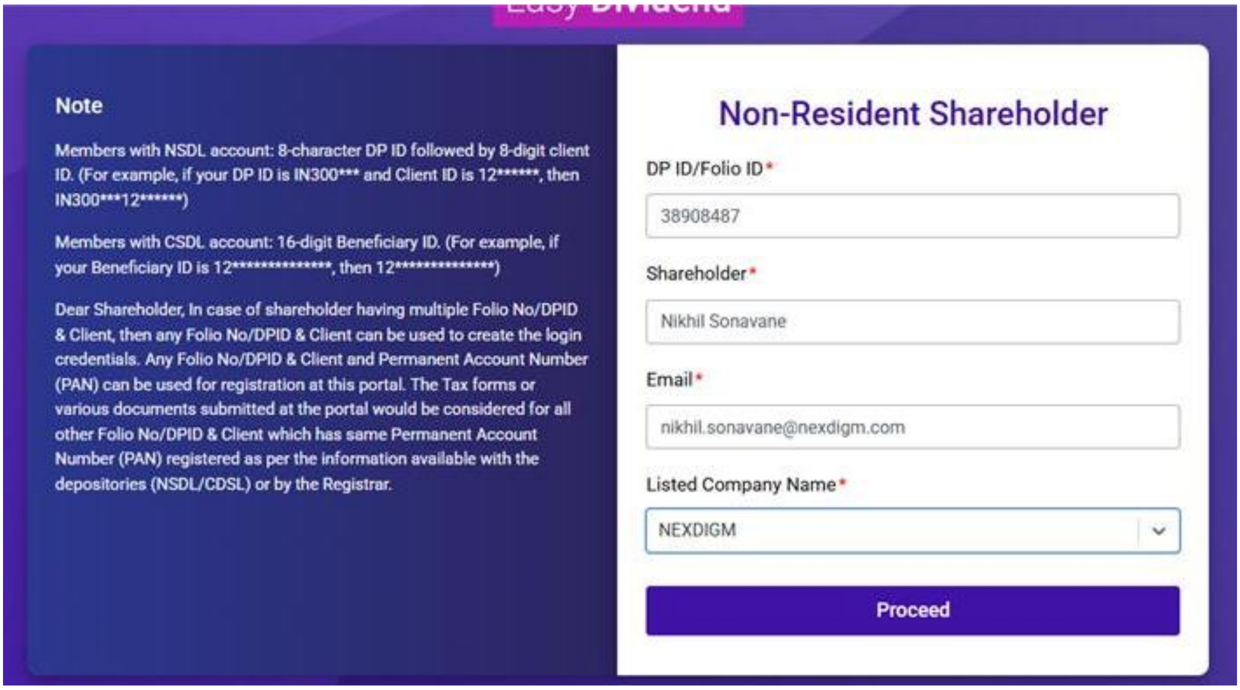
Step 9: **Verification of Details (for Non-Residents)**

Please enter your **DPID/Folio ID** and enter **CAPTCHA** to verify your details



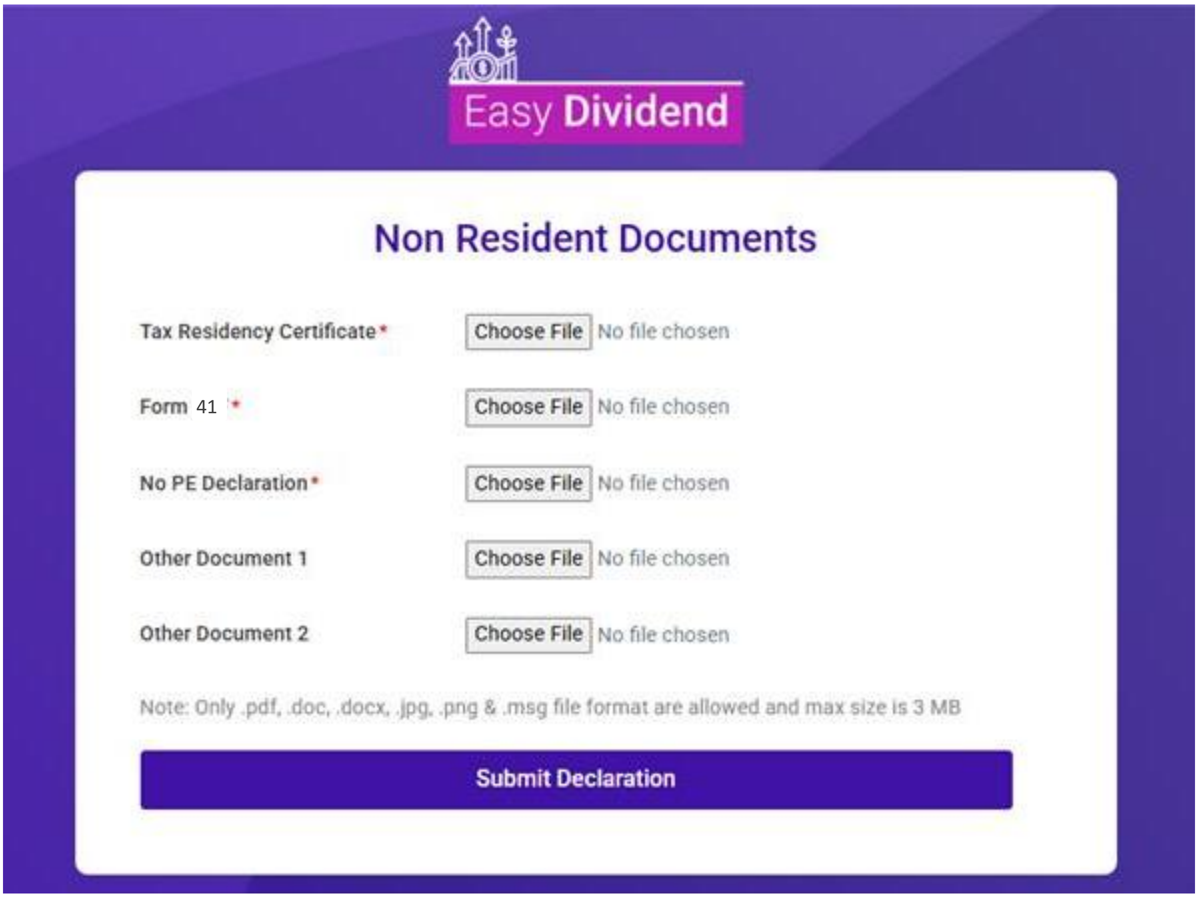
In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

Select the name of the Company from the dropdown list and press ‘**PROCEED**’ button



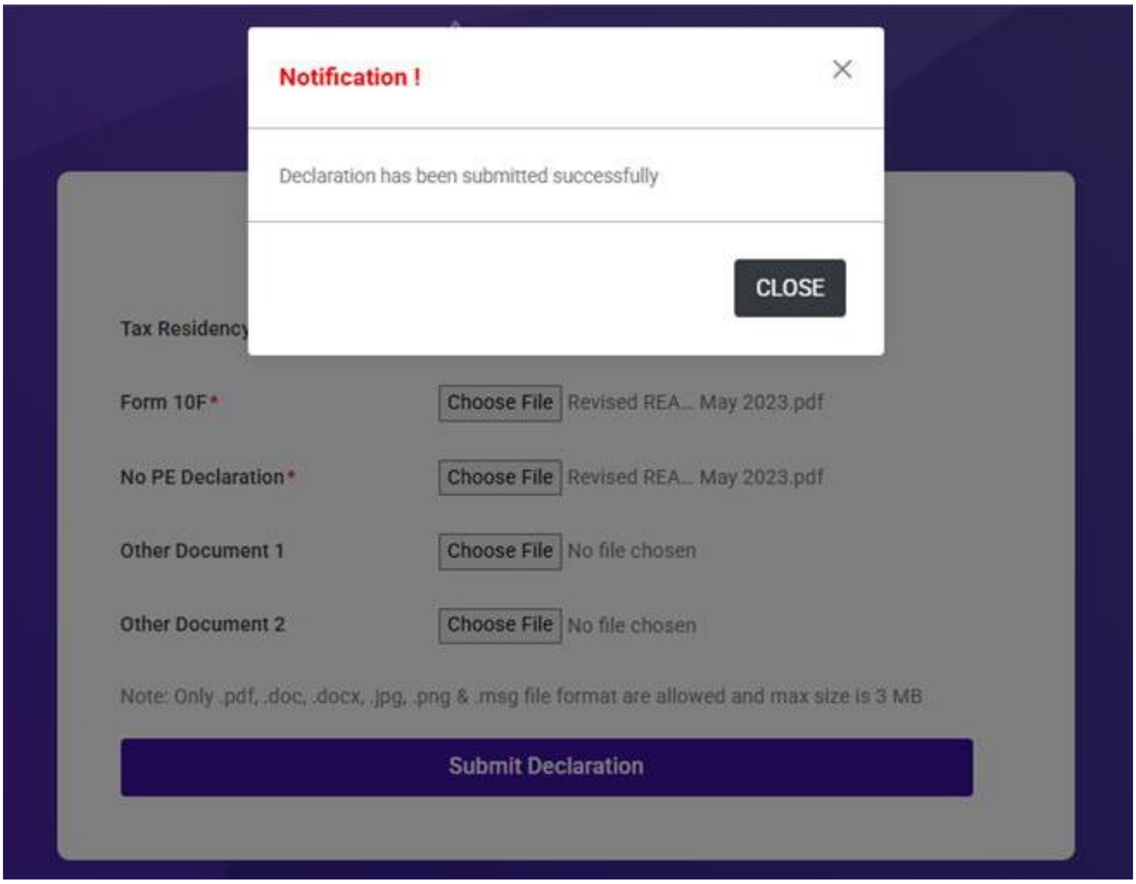
Step 10: **Uploading Tax Treaty Documents**

Upload the documents by pressing on '**Choose File**' button. Once all the documents are uploaded, click on '**SUBMIT DECLARATION**' button.



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

You will get a notification mentioning '**Declaration has been submitted successfully**'.



You have successfully submitted the Tax Treaty Documents. A confirmation email shall be sent on your registered email ID. You can click on 'CLOSE' button to log out from the application.

In case of any technical difficulties, please write to **dividend.support@nexdigm.com**

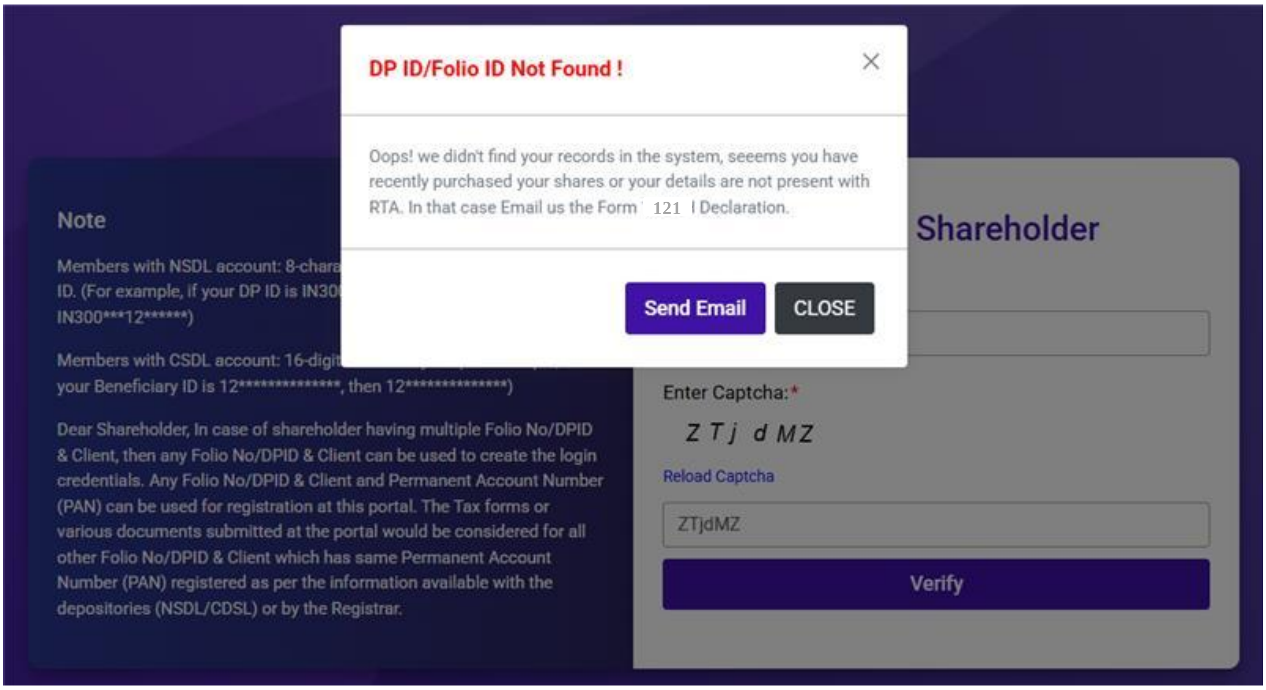
For Resident Shareholders (Who Have Recently Acquired Shares)

In case you have recently acquired shares, your details would not be available in the Easy Dividend System.

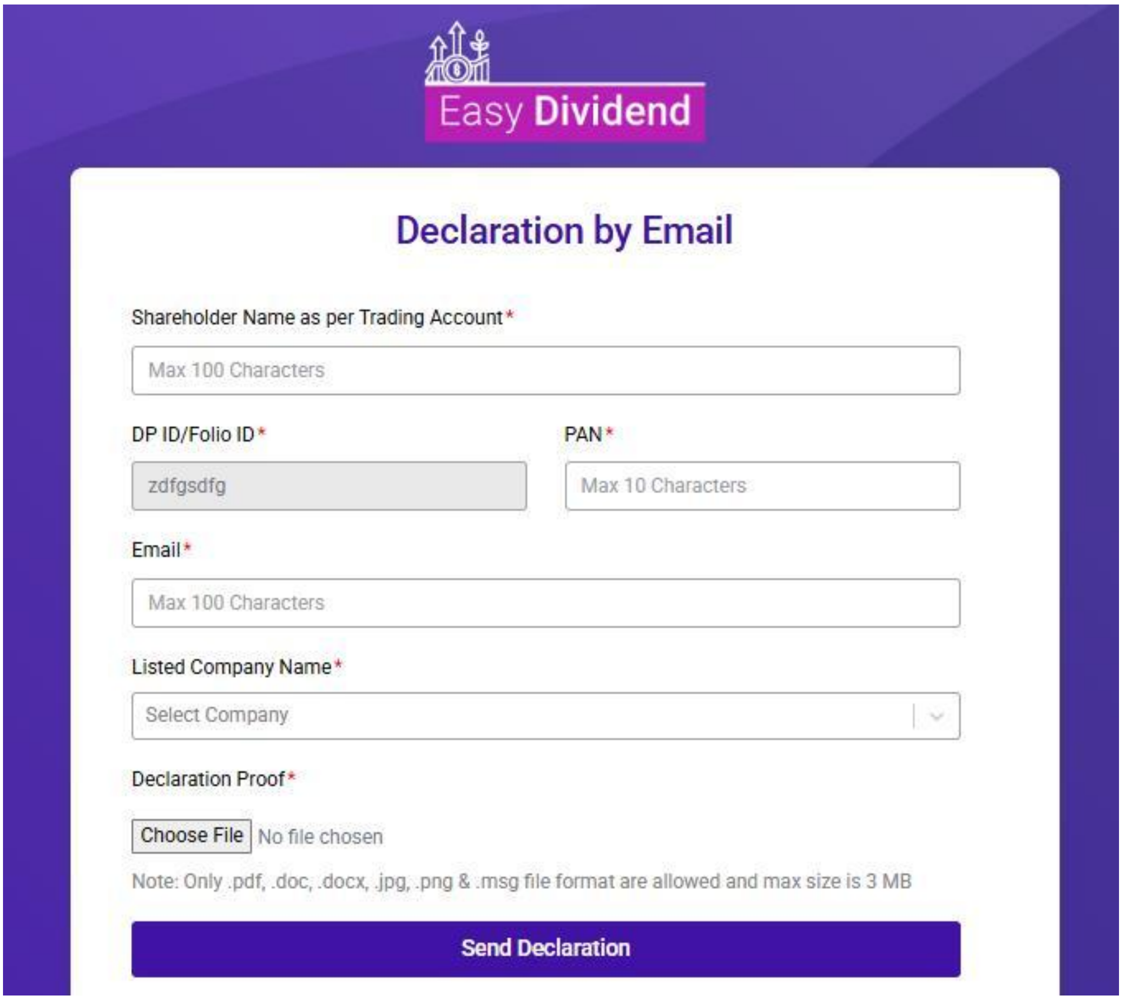
In such case, after following Step 1 & 2, please follow the below steps:

Step 11: **Submit Documents via 'Send E-Mail' Button**

If Shareholder details are not available in the system, you will get a pop-up mentioning '**DP ID/Folio ID not found**'.
In such case, click on '**Send Email**' button to submit the documents.



In case of any technical difficulties, please write to **dividend.support@nexdigm.com**



You will get a pop-up with a message that ‘Declaration has been sent successfully’.
A confirmation email shall be sent on your email ID. You can click on ‘**CLOSE**’ button to log out from the application.

Our Service **Capabilities**

Business Services

Consulting, Operations & Implementation

BUSINESS PROCESS MANAGEMENT

Finance & Accounting Management
Commercial Operations
Contract Management
Process Improvement
Shared Services

OPERATIONS & FINANCE TRANSFORMATION

Finance
Supply Chain
Intelligent Automation & Accelerated Analytics (ia^3)

STRATEGIC INITIATIVES

Mergers, Acquisitions, Divestitures & Restructuring
Greenfield & Brownfield
Program Management/Business Consulting Pre-Investment Advisory & Market Research

TECHNOLOGY ADVISORY

Cyber Security & Data Privacy Technology Solutions
Cloud Migration

Professional Services

Advisory, Compliance & Risk Management

ENTITY SET-UP & MANAGEMENT

Business Establishment Finance & Accounting
Payroll, Administration & HR Compliance Corporate & Tax Compliance
CFO Support & Finance Controller Services

TAXATION

Direct Tax & Indirect Tax
Transfer Pricing & International Tax M&A
Tax & Regulatory Services

ASSURANCE & RISK ADVISORY

Accounting Advisory
Internal Audit & Process Reviews
Technology Risk
Forensics

TRANSACTION ADVISORY

Transaction Support
Due Diligence & Valuations
Economic Analysis

Tax Services

M&A Tax and Regulatory
Transfer Pricing
Indirect Taxes, GST & UAE VAT
International Tax
Tax Retainership
Private Client

About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/ISE 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to ***Think Next.***

USA Canada Poland UAE India Hong Kong Japan

www.nexdigm.com

Reach out to us at ***ThinkNext@nexdigm.com***

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Listen to our podcasts on all major platforms

Date:

To
Cipla Limited
Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400013.

Folio Number / DP ID/ Client ID – Mention all the account details

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by Cipla Limited (the Company), I / We hereby declare as under:

1) I /We, (Name of the shareholder) confirm that I am / We are tax residents of ____________(Name of Country) and I / We do not have a permanent establishment / fixed place of business / profession in India as contemplated under Income Tax Act 2025, during tax year 1st April 2026 - 31st March 2027.

2) Further I /We confirm that we are resident of (Name of Country) within the meaning of the Article 4 of India - ________ (Name of Country) Double Tax Avoidance Agreement (DTAA) and I /We are eligible to claim the benefit of India - ________ (Name of Country) Double Tax Avoidance Agreement (DTAA), read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable.

3) I / We do not have a permanent establishment / fixed place of business / profession in India as contemplated under Article 5 of India - ________ (Name of Country) Double Tax Avoidance Agreement (DTAA) read with the provisions laid down in Multilateral Instruments, wherever applicable, during the tax year 1st April 2026 – 31st March 2027.

4) We do not have any business connection in India within the meaning of section 9(2) of the Income Tax act, 2025 of India including the threshold limit prescribed for significant economic presence (SEP) in section 9(9)(d) during the tax year 1st April 2026 – 31st March 2027.

5) I / We hereby declare that, I am /we are the beneficial owner of the share/shares held in the Company as well as the dividend arising from such shareholding and I/ we have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.

6) I/We hereby confirm that we do not have a place of effective management, taxable presence or fixed based in India as per the said tax treaty read with the provisions laid down in MLI, wherever applicable, during the period 1st April 2026 – 31st March 2027 and

none of the key management and commercial decisions for the conduct of business in substance are made in India.

7) Dividend paid by Cipla Limited to us is attributable to tax in _________(Name of the country) and is thus, eligible for claiming treaty benefits of Double Tax Avoidance agreement (DTAA) between India and _____________ (Name of the country) read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable.

8) I / We hereby furnish a copy of valid Tax Residency Certificate bearing Certificate number __________ dated __________ having Tax Identification number__________ issued by __________ along with a copy of Form 41 duly filled and signed for the period 1st April 2026 - 31st March 2027.

9) I confirm that being individual my aggregate presence in India for the period of 1st April 2026 – 31st March 2027 does not exceed 120 days.

10) I / We have satisfied the conditions mentioned in the Limitation of Benefit clause, as appearing in DTAA between India and _________ (Name of the country);

I/ We further indemnify Cipla Limited for any penal consequences arising out of any acts of commission or omission initiated by Cipla Limited by relying on my/our above averment.

Thanking you.

Yours faithfully,

For Name of the shareholder

<<insert signature>>

Authorized Signatory - Name and designation
Contact address: ____ [Please insert]
Email address: ____ [Please insert]
Contact Number: ____[Please insert]
Tax Identification Number ____[Please insert]
Tax Residency Certificate Number _______________________________________[Please insert]

Note: Kindly strikethrough whichever is not applicable

(Declaration from Custodian or intermediary)

Date:

To,
Cipla Limited
Cipla House,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013

<u>Sub: Declaration u/s 390 of the Income Tax Act, 2025 (‘the Act’) r. w. Rule 203 of the Income Tax Rules, 2026 (‘the Rules’)</u>

Number of Shares:

Name of the Scrip:

PAN No. of _<< Name of Custodian/ intermediary >>. PAN No.<< AAAAAXXXXA>>

This is with reference to the captioned shares of your company, which were held by the << Name of custodian>> on behalf of its clients, who are beneficial owners of such shares.

Type of account in which the shares were held by the <<Custodian/ intermediary name>>on behalf of its clients	**Purpose of holding such shares on behalf of its clients being beneficial owners of shares**

Section 390 of the Act r.w. Rule 203 of the Rules inter alia states that if the income on which tax has been deducted at source is assessable in hands of a person other than the deductee, credit of tax deducted at source shall be given to the other person and not to the deductee.

For the aforesaid reasons, << Custodian/ intermediary name >>, do hereby declare that the dividend on such captioned shares is includible and taxable in the hands of the beneficial owner as stated in <<Annexure>> (Format mentioned below).

Further, << Custodian/ intermediary name >>, do also hereby declare that dividend income on captioned shares shall not be offered or included in its total income and further, it shall not claim TDS credit corresponding to such dividend income in Tax Year 2026-27 or any other tax year, as the case may be. The shares are transferred in the name of beneficial owner in DMAT A/c no. and dates as per above mentioned Annexures.

<<Custodian/ intermediary name>> therefore request you that the TDS on dividend u/s. 393(1) [Table Sl. No. 7] of the Act may please be deducted in the name and PAN of the persons named in <<Annexure >> and the certificate for deduction of tax at source shall be issued in the name and PAN of the persons as shown in the <<Annexure>> under Rule 203 of the Rules r.w. section 390 of the Act.

<<Custodian name/ intermediary >> do hereby declare that any loss or tax cost (including interest and penalty, if any) or consequences arising to the Cipla Limited (or 'the deductor') due to non-compliance / non-fulfilment with any of the above-mentioned statement, shall be borne by / indemnified by << Custodian name >>.

<<Custodian/ intermediary name>> hereby declare that to the best of our knowledge and belief what is stated above is correct, complete and is truly stated.

<<Name of Custodian/ intermediary >>

Authorised Signatory

<u>Annexure Format</u>

<u>Dividend includible and taxable in the hands of the beneficial owner & TDS credit on such Income</u>

Name of the person	PAN of person	Address of person	No. of Shares held by such person	Dividend amount in respect of which TDS credit to be transferred [Rs.]	DMAT Account no.	Date of transfer of share	Status of the Shareholder