



MAZAGON DOCK SHIPBUILDERS LIMITED

(A Govt. of India Enterprise)

Corporate Identity Number: L35100MH1934GOI002079

Registered and Corporate Office: Dockyard Road, Mumbai - 400010, Maharashtra, India

Phone: 23762015, E-mail: investor@mazdock.com Website: www.mazagondock.in

Dear Shareholder,

Sub: Deduction of Tax at Source on 2nd Interim Dividend for FY 2025-26

The Company hereby informs that the Board of Directors has at its meeting held on Thursday, 05 Feb 2026 declared Second Interim Dividend of Rs. 7.5/- (Rupees Seven and Paise Fifty only) per equity share of Rs. 5/- each fully paid up for the Financial Year 2025-26.

The Board of Directors at the above referred meeting has fixed Friday, 13 Feb 2026 as the Record Date for determining the eligibility of shareholders to receive the dividend. The shareholders, holding shares of the Company, in either electronic mode or in physical form, as on the Record Date, i.e. Friday, 13 Feb 2026 shall be eligible to receive the dividend. The payment of the interim dividend would be made to the eligible shareholders on or before 07 Mar 2026 as per the Companies Act, 2013.

As you are aware, under the provisions of the Income Tax Act, 1961 as amended and read with the provisions of the Finance Act, 2020, with effect from 01 April 2020, dividend declared and paid by a company is taxable in the hands of shareholders and the company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. Your Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of the said Interim Dividend. The tax deduction/withholding tax rate would depend on the residential status of the shareholder and the exemptions as enumerated in the Act, subject to fulfilling the submission of the documentary requirements.

Please note that, if the total dividend to be received by a resident individual during the financial year 2025-26 does not exceed Rs. 10000, then, no TDS shall be deducted and this shall include the future dividends, if any, which may be declared by the Board in the financial year 2025-26.

The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company/ RTA. For detail on TDS and documents to be submitted by the shareholders for various categories please refer Encl 1.

The self-attested copies of the documents for the purpose of TDS are to be submitted by the shareholders to Alankit Assignment Limited (Registrar & Share Transfer Agents) at email id rta@alankit.com or to the Company at email id investor@mazdock.com by Friday, 13 Feb 2026. The Company will not be able to consider the documents/communication sent after Friday, 13 Feb 2026.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your Income Tax return by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted.

Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>.

The shareholders are requested to update their PAN and Bank account details with the Depositories/Depository Participants (in case of shares held in Demat mode).

We also request you to register/update your email IDs and mobile numbers with the RTA at Alankit Assignments Ltd 4E/2, Jhandewalan Extension New Delhi-110055 at email id rta@alankit.com with a copy to the Company at Registered Office at Dockyard Road, Mumbai - 400010, Maharashtra.

Thanking you,
For **MAZAGON DOCK SHIPBUILDERS LIMITED**
Sd/-
Lalatendu Acharya
Company Secretary

Encl: a/a

MDL - TDS ON DIVIDEND FOR INTERIM DIVIDEND FY 2025-26

With effect from 01 April 2020, dividend income has become taxable in the hands of shareholders. Pursuant to the requirement of Income Tax Act, 1961 ("the IT Act"), the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. In this connection, the shareholders are requested to take note of the following:

A. Resident Shareholders:

- (i) TDS shall be deducted at the rate of 10% under Section 194 of the IT Act on the amount of dividend declared and paid by the Company for the Financial Year (FY) 2025-26 to resident shareholders provided, valid PAN of the shareholder is available. However, no TDS shall be deducted where the total dividend payable to a resident shareholder during the Financial Year does not exceed 10,000/-
- (ii) However, TDS shall be deducted at higher rates as stated below in the following circumstances:
 - **Valid PAN not available:** If the PAN is not valid or valid PAN is not available with the Company's Register of Members, TDS shall be deducted at the rate of 20% as per Section 206AA of the IT Act.
 - **PAN not linked to Aadhaar:**
 - In case of an individual shareholder whose PAN though required but is found to be not linked with his or her Aadhaar number by 31 December 2025 (last date prescribed as on date to link the same), TDS would be deducted at 20% as per Section 206AA of the Act by considering that the PAN has become in-operative unless such PAN-Aadhar linking due date is further extended at the time TDS is required to be deducted.
 - The list of shareholders in whose case the PAN is not linked with their Aadhaar, shall be obtained from the functionality of the reporting portal made available by the Income Tax department.
 - In case the individual shareholder who does not possess the Aadhaar number or the Enrolment ID is (i) not a citizen of India, or is (ii) aged eighty years or more at any time during the FY 2024-25 or is (iii) residing in the states/UT of Assam, Jammu & Kashmir and Meghalaya, then such shareholder may furnish a declaration to the said effect so that the TDS may be deducted at normal rates keeping in view the exemption provided by CBDT vide Notification No. 37/2017 dated 11.05.2017 for such person to link the same.
- (iii) In case of the following category of resident shareholders, no TDS shall be deducted or the TDS shall be deducted at lower rate, as the case may be, subject to submission of the documents specified below:
 - **Form 15G/15H:** In case where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted. Format for Form15G/Form 15H can be downloaded from following link

<https://einward.alankit.com/Docs/1-annexure-1-form-15G.docx>

<https://einward.alankit.com/Docs/2-anexure-2-form-15H.docx>

- **Certificate for lower/Nil deduction:** In case the shareholder provides valid Certificate for lower/Nil deduction under Section 197 of the IT Act, tax shall be deducted as per the rate specified in the Certificate.
- **Insurance Companies:** No TDS shall be deducted if the insurance company submits a self-Declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with IRDA and is eligible to claim the exemption under the second proviso to Section 194 of the IT Act. The said certificate shall also be accompanied with self-attested copy of PAN and IRDA registration certificate.
- **Mutual Funds:** No TDS shall be deducted if the Mutual fund submits a self-declaration certifying the details of securities held by it against which dividend is declared and certifying the fact that it is registered with SEBI and is eligible to claim the exemption under Section 10(23D) of the IT Act. The said certificate shall also be accompanied with a self-attested copy of its PAN and SEBI registration certificate.
- **Other shareholders covered under Section 196:** No TDS shall be deducted if documentary evidences for coverage under Section 196 of IT Act are submitted in respect of other shareholders covered under Section 196 of IT Act such as Government, RBI or corporations established by Central Act which is under any law for the time being in force, exempt from income tax on its income.
- **Alternate Investment Fund (AIF) Category I and II:** No TDS shall be deducted if self-declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the IT Act, for exemption from TDS under section 197A (1F) and that they are established as Category I or Category II AIF under the SEBI regulations is submitted. Copy of self-attested registration documents and PAN card should also be provided.
- **Recognized Provident funds/ Approved Superannuation fund/ Approved Gratuity Fund:** No TDS shall be deducted if necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) have been submitted.
- **National Pension Trust:** No TDS shall be deducted if self-declaration along with self-attested copy of documentary evidence supporting the exemption from TDS under Section 197A (1E) of IT Act and self-attested copy of PAN card is submitted.
- **Any other entity entitled to exemption from TDS:** In case any resident shareholder (other than those specified above) is exempted from TDS deduction as per the provisions of IT Act or by any other law or notification, a valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

(iv) No tax shall however be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the financial year does not exceed Rs. 10,000/-.

B. Non- resident shareholders [including Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs)]:

- (i) Tax is normally required to be withheld at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D, as the case may be of the IT Act subject to beneficial provisions of the relevant Double Tax Avoidance Agreement (“DTAA/Treaty”).
- (ii) As per Section 90 of the Act, a non-resident shareholder (including FIIs/FPIs) 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 the shareholder. For this purpose i.e., to avail the tax treaty benefits, the non-resident

shareholder will have to provide all of the following documents:

- Self-attested copy of PAN allotted by the Indian Income Tax Authorities. In case PAN is not available, details as prescribed under rule 37BC of the Income-tax Rules, 1962 to be furnished
- Self-attested copy of valid Tax Residency Certificate obtained from the Tax Authorities of the country of which the shareholder is a resident (valid for financial year 2024-25);
- Self-declaration in Form 10F in following format
<https://einward.alankit.com/Docs/FORM%2010F.docx>
- Self-declaration duly signed and stamped on letterhead and format for the same can be downloaded from following link
<https://einward.alankit.com/Docs/5-No%20pe%20declaration%20other%20than%20foreign%20company.docx>
- Self-attested copy of any other document as prescribed under the IT Act for lower withholding of taxes, if applicable.

(iii) Further, in case the non-resident shareholder is eligible to claim deduction of TDS at a lower/NIL rate, TDS shall be deducted at such lower/NIL rate, subject to submission of the documents specified below:

- Lower deduction certificate under Section 197 or 195(3) as the case may be, obtained from the Income Tax Authority. In case of an Indian branch of a foreign bank, the lower deduction certificate is also to be supported with a self-declaration confirming that the income is received by the Indian branch on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
- In case any non-resident shareholder is exempted from TDS as per the provisions of IT Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947, etc., necessary documentary evidences substantiating exemption shall be submitted.

The shareholders are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with the Company's Registrar and Transfer Agent – Alankit Assignments Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) so that the deduction of TDS is carried out appropriately.

Further, the aforementioned documents are required to be uploaded by shareholders on the Alankit Assignments Limited (Registrar & Transfer Agent of the Company) portal <https://einward.alankit.com/> or should be submitted by e-mail at rta@alankit.com for claiming TDS exemption/lower deduction by 11:59 p.m. IST on or before 13 Feb 2026 .No communication would be accepted from shareholders after the said date regarding nil/lower tax matters.

Application of beneficial TDS rates (including the beneficial DTAA rates) or exemption from TDS for shareholders shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the shareholders. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents or upon documents being found to be non-satisfactory upon review by the Company, shareholder would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

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 Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the

communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders may note that, since the tax consequences are dependent on facts and stances of each case, they are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

To verify the tax deduction, the shareholders can also check their Form 26AS/ Annual Information Statement (AIS) from their e-filing account at <https://incometax.gov.in>

Note:

1. All the applicable documents including copy of PAN card should be signed, scanned and e-mailed at rta@alankit.com.
2. The applicability of tax benefit based on the above documents is subject to verification by the RTA.

Disclaimer: The above information is included for general information purpose only and does not constitute tax or legal advice. In view of the individual nature of the tax implications, each investor is advised to consult his or her own tax advisors with respect to the specific tax implications.