

KIND ATTENTION: SHAREHOLDERS

Subject: Tax on Dividend

In terms of the provisions of the Income Tax Act, 2025 (the Act) and as amended from time to time, dividend paid or distributed by a Company is taxable in the hands of the Shareholder/Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Shareholders/Members.

For Resident Shareholders

Tax will be deducted at source ("TDS") under Section 393(1) of the Act @ 10% on the amount of dividend payable unless exempted under section 393(4) (For No Deduction at Source) or any of the provisions of the Act. In case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during the Financial Year does not exceed Rs.10,000/.

The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode), if PAN is not updated, Tax at source will be deducted @ 20% as per provisions of Section 397(2)(b) of the Income tax Act, 2025.

Tax at source will not be deducted where a member provides Form 121 (applicable to Resident individual, in the case of dividend), provided that the eligibility conditions are being met.

Below documents are enclosed below for reference:

- (i) blank Form 121**
- (ii) guidelines for submission of Form 121.**

In accordance with the provisions of Section 395 of the Act, tax will be deducted at a Lower/NIL rate as per the certificate obtained from Tax Authority, subject to furnishing a self-attested copy of the same. The certificate should be valid and should cover the dividend income.

In order to avail exemption from withholding tax, the following organisations must provide the details, as listed below:

- (i) Insurance Companies:** A self-declaration that it has full beneficial interest with respect to the shares owned (in terms of Section 393(4)) along with Self attested copy of PAN card and copy of registration certificate issued by the IRDAI.
- (ii) Mutual Funds:** A self-declaration that they are covered under Sr No 20 or 21 of Schedule VII as specified in Section 11 of the Act along with self-attested copy of PAN card and SEBI registration certificate.
- (iii) Alternative Investment Fund (AIF) established in India:** A self-declaration that they are covered under Sr No of 1 of Schedule V as specified in Section 11 of the Act and established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.

नेशनल एल्युमिनियम कम्पनी लिमिटेड
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National Aluminium Company Limited
(A Government of India Enterprise)
REGD. & CORPORATE OFFICE
Nalco Bhawan,
Plot No. P/1, Nayapalli, Bhubaneswar
751013, India

CIN # L27203OR1981GOI000920

Tel.:0674-2301988-999,Fax:0674-2300677,Email:company_secretary@nalcoindia.co.in,Website:www.nalcoindia.com

For Non-Resident Shareholders

- Tax is required to be withheld in accordance with the provisions of Section 393(2) of the Act at applicable rates in force. As per the provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- As per section 159 of the Act, the non-resident shareholder has an option to apply provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the benefits of DTAA, the non-resident shareholder will have to provide the following documents:
 - Self-attested copy of Permanent Account Number ('PAN') allotted by the Indian tax authorities;
 - Self-attested copy of Tax Residency Certificate ('TRC') issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during the F.Y.;
 - Copy of Electronically filed Form 41, submitted online at Income Tax India portal and duly signed
- **Self-declaration** in the enclosed format primarily certifying on the following points:
 - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year.;
 - Shareholder is the beneficial owner of the shares and entitled to receive the dividend from the Company;
 - Shareholder qualifies as 'person' as per DTAA and is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - Shareholder has no permanent establishment / business connection / place of effective management in India;
 - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend paid to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non- Resident shareholder.

Where the PAN is either not available or is invalid, DTAA benefit shall not be granted and tax shall be deducted at the prescribed rate or 20% (plus applicable surcharge and cess), whichever is higher.

Notwithstanding the above, in case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 393(2) of the Income Tax Act.

Where a shareholder furnishes lower / Nil withholding tax certificate u/s 395 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

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For all Shareholders

To enable the Company/RTA to determine the appropriate TDS / withholding tax rate applicable, all members are requested to provide the above details and documents immediately after declaration of dividend by the Board/shareholders in AGM.

The aforementioned documents can be mailed to RTA's dedicated mail id tds@bigshareonline.com Kindly note that where the requisite documents furnished by the shareholders are incomplete or not properly executed, DTAA benefit / lower rate benefit shall not be granted and tax shall be deducted @ 10% (or) 20% (plus surcharge and cess), as applicable. In case the requisite documents are submitted by the shareholders through his/her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted. In case of joint shareholders, the shareholder named first in the Register of Members shall furnish the requisite documents for claiming any beneficial tax rate applicability.

The Company will upload the TDS certificate in its website in due course after payment of the dividend. Shareholders may download the TDS certificate available in the link https://mudira.nalcoindia.co.in/TDS/ctft_Download.aspx.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from them by stipulated date, option is available to them to file the return of income as per Act and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

While on the subject, all shareholders, holding shares in the electronic mode are requested to submit / update their bank account details with respective Depository Participants. Similarly, shareholders holding shares in physical mode, are requested to update the bank particulars with the RTA. This will facilitate receipt of dividend directly into their bank account.

Note: Please always quote registered Folio Number/DP ID & Client ID, PAN, while communicating/submitted documents as mentioned above with the Company/RTA. Please ensure to send all communication in this regard to email id of RTA i.e. csemanager@bigshareonline.com / csemanager2@bigshareonline.com / alisterl@bigshareonline.com or to their address as follows:

M/s. Bigshare Services Private Limited
(Unit: National Aluminium Company Limited)
Office No. S6-2, 6th Floor
Pinnacle Business Park
Next to Ahura Centre
Mahakali Caves Road
Andheri (East), Mumbai – 400 093.

We solicit cooperation of shareholders in this regard.

For National Aluminium Company Limited

(Bharat Kumar Sahu)
Company Secretary

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