



USHA MARTIN LIMITED

CIN: L31400WB1986PLC091621

Registered Office: 2A, Shakespeare Sarani, Kolkata – 700071

Phone: 033-71006300, Fax: 033-71006400

Website: www.ushamartin.com, Email: investor@ushamartin.co.in

Communication on Tax Deduction at Source

Dear Shareholder,

We hope you and your family members are safe and healthy.

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on 30th April 2026 have recommended a Dividend of Rs. 3.75/- per Equity Share of Re. 1/-each (375%) for the financial year ended 31st March 2026. As you are aware, as per the Income-tax Act, 2025 (the Act), as amended by the Finance Act, 2026, dividends paid or distributed by a company are taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source at the time of making the payment of the Dividend, if approved, at the Fortieth Annual General Meeting ("AGM") of the Company scheduled to be held on Thursday, 20th August 2026 and the net dividend shall be paid to the shareholders.

All the shareholders are requested to ensure that their details with reference to valid Permanent Account Number, Residential status as per Act i.e., Resident or Non-Resident as applicable, Category of their account as per the PAN, E-mail ID / postal address, Bank Account details are complete / updated, as applicable, in their account maintained with Depository Participant (in case of shares held in dematerialized form) and in case of shares held in physical form, complete / update the said details with KFin Technologies Limited, the Company's Registrar & Share Transfer Agent ('RTA').

This communication provides the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories and the documentation required from respective categories of shareholders. The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	10%	Applicability: Resident shareholder who is having a valid PAN (duly linked with Aadhar in accordance with section 262 of the Act) on records of the Company.

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
		No deduction of taxes in the following cases: • If total dividend paid by the Company to a resident Individual shareholder during TY 2026-27 does not exceed Rs.10,000/- <u>Documentation requirement:</u> Update the PAN if not already done with depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents - KFin Technologies Limited (in case of shares held in physical mode).
Resident shareholder without PAN/Invalid PAN/PAN not linked with Aadhar	20%	Resident shareholder without PAN / invalid PAN / PAN not linked with Aadhar
Resident individual or a person (not being a company or firm) submitting Form 121	NIL	Individual Shareholder providing Form 121 - on fulfillment of prescribed conditions (This form can be submitted only in case the shareholder's tax on estimated total income for TY 2026-27 is Nil). Please refer attached format in "Annexure A". The shareholders also have an option to file these forms online on the NSDL and CDSL portal. Once filed, they will be available to all the listed companies paying dividend to them. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form in case the requirement of law are not fulfilled.

Availability of lower/nil tax deduction certificate issued by Income Tax Department under Section 395 of the Act	Rate provided in the order	<u>Applicability:</u> Resident shareholder who is having a valid PAN (duly linked with Aadhar in accordance with section 262 of the Act) on records of the Company. No deduction of taxes in the following cases - • If total dividend paid by the Company to a resident Individual shareholder during TY 2026-27 does not exceed Rs. 10,000/- <u>Documentation requirement:</u> Lower/NIL withholding tax certificate obtained from Income Tax authorities valid for the TY 2026-27.
Insurance Companies: Public & Other Insurance Companies	NIL	- No TDS would be applied for the dividend payable on the shares held by the specified insurance companies as mentioned under section 393(4) [Table: Sl. No. 10] of the Act. - Self-declaration that it has full beneficial interest with respect to shares owned. - Self-attested copy of PAN card; and - Copy of registration certificate issued by the IRDAI.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income.	NIL	- Declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income and accordingly, covered under section 393(5)(c) of the Act. - Self-attested copy of PAN card; and - Registration certificate and relevant extract of the section whereby the income is exempt from tax.
Mutual Funds	NIL	- Self-declaration that they are registered with SEBI or set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India alongwith supporting documentation thereof and covered under section 393(5)(d) of the Act; and - Self-attested copy of PAN card

Alternative Investment fund	NIL	- Self-declaration that its income is exempt under Schedule V [Table Sl. No. 7] of the Act and established as Category I or Category II AIF under SEBI regulations (by way of Notification No. 51/2015 dated 25th June 2015 read with section 224 of the Act). - Self-attested copy of the PAN card; and - Registration certificate issued by SEBI.
Government (Central/ State)/ RBI	NIL	- No TDS is required to be deducted as per Section 393(5)(a) of the Act.
New Pension System (NPS) Trust	NIL	- Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section section 393(9) read with Schedule VII (Table: Sl. No. 41). of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of PAN card.
Other Non-Individual shareholders	NIL	- Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
Securitization Trust	NIL	- Copy of registration/ document evidencing the shareholder being a securitization trust (as defined in clause (d) of section 221(6) of the Act).

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
- Recognized Provident funds - Approved Superannuation Fund - Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)

Recording of valid Permanent Account Number (PAN) against registered Folio/DP ID-Client ID is mandatory. If the PAN is not as per the database of the Income-Tax Portal of Govt. of India, it would be considered as invalid PAN. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 397 of the Act.

Shareholders are requested to ensure Aadhar Number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative, and, in such scenario, tax shall be deducted at higher rate of 20% as per Section 397 of the Act.

Table 2: Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation Requirement
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	As per the provisions of the Income Tax Act, 2025, the non-resident shareholder may have an 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 such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident shareholder shall furnish the following documents to the Registrars and Transfer Agents (RTA) of the Company: 1. Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities; 2. Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status during the Tax Year 2026-27; 3. Copy of Form 41 as per the Income-tax Rules, 2026 filed electronically on the income tax portal in India and valid for TY 2026-27. Please refer attached format in "Annexure B"**

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
		4. Self-declaration in the prescribed format which is attached as "Annexure C", certifying on the following points along with adequate documentary evidence substantiating the nature of the entity: a) Shareholder is and will continue to remain a tax resident of the country of its residence during the Tax Year 2026-27; b) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; c) Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; d) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; e) Shareholder complies with any other conditions prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') f) Shareholder does not have a taxable presence or a permanent establishment or place of effective management in India during the Tax Year 2026-27. It is recommended that shareholders should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. The Company is not obligated to apply

		the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.
Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	FPI registration number / certificate along with documents as mentioned above.
Overseas Trust	20% (plus applicable surcharge and cess)	Provision of benefits of Tax Treaty rate to Overseas Trust is a subject matter of debate. Hence, for the purpose of withholding tax, the rate as per the Act shall be applied
Availability of lower/nil tax deduction certificate issued by Income Tax Department under Section 395 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities valid for TY 2026-27.
Tax resident of any notified jurisdictional area	30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus applicable surcharge and cess)	Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under section 176(1) of the Act, tax will be deducted at source @ 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 176(5) of the Act

ADR/GDR holders	10% (plus applicable surcharge and cess)	In case of dividend paid on GDR / ADR to non-residents, tax will be deducted at the rate of 10% under section 393(2) [Table: Sl. No. 13] of the Act, subject to self-attested copy of PAN card issued by Indian Revenue Authorities
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****Shareholders need to file Form 41 electronically on the Income-tax portal (www.incometax.gov.in/iec/foportal) as mandated by CBDT vide Notification No. 03/2022, dated 16-07-2022 for Tax Year 2026-27.**

In order to enable us to determine the appropriate applicable TDS / Withholding Tax Rate, **we request you to provide the above-mentioned details and documents on or before 10th August 2026.**

FOR SHAREHOLDERS HAVING MULTIPLE FOLIO ACCOUNTS UNDER DIFFERENT STATUS/ CATEGORY:

Shareholders holding shares under multiple share folio 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. Kindly note that the documents / information as mentioned above are required to be emailed to us at email ID "investor@ushamartin.co.in" on or before 10th August 2026 and hard copy of the same should be sent to us at Share Department, Usha Martin Limited, Mangal Kalash Building, 2A, Shakespeare Sarani, Kolkata - 700 071, West Bengal, India in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax Rate. Incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption. No communication/documents on the tax determination / deduction shall be considered post 10th August 2026.

No claim shall lie against the Company for such taxes deducted. Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned correct details/documents from you, option is available to you to file the return of income as per Income-tax Act, 2025 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 by the shareholder/s, such shareholder/s will be responsible to indemnify the Company and also provide the Company with all information / documents and co-operation in any appellate proceedings.

The Company will arrange to email a soft copy of TDS certificates u/s 395(4) to you at your registered email ID post completion of activities as per the prescribed timelines. Shareholders will also be able to see the credit of TDS in Form 168, which can be downloaded from their e-filing account.

In terms of Rule 203 of 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

deductee should file declaration with Company in manner prescribed by Rules.

Kindly note that above mentioned declaration for giving credit of taxes deducted to the beneficial owner should be made within 15 days of the record date. Requests received after 15 days from the record date will not be entertained.

We request your cooperation in this regard.

Thanking you,

Yours faithfully,

For Usha Martin Limited

Manish Agarwal
Company Secretary & Compliance Officer

Enclosed: As above

Annexure A
Annexure B
Annexure C