General Communication on Tax Deduction at Source on Dividend

31st July, 2026

Dear Shareholder

We are pleased to inform that the Board of Directors of Magna Electro Castings Limited ('Company') at their meeting held on 28th May, 2026, have recommended **a dividend of ₹ 5.00/- per share (50%) for the year ended 31st March, 2026**, subject to approval of the shareholders. The 36th Annual General Meeting ('AGM') of the Shareholders of the Company will be held on Wednesday, the 9th day of September, 2026 at 4.00 P.M (IST) through Video Conference/ Other Audio-Visual Means. Further details on the same would be sent along with the Notice convening the said AGM.

The following are the dividend details:

Rate of dividend	₹ 5.00/- per share
Record date for dividend entitlement	Wednesday, 2nd September, 2026
The Dividend will be paid after the approval of Shareholders in the 36th AGM of the Company.	

Shareholders are requested to note that as per the revised provisions of the Income Tax Act, 2025 ("the Act"), dividends paid or distributed are taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend based on the category of shareholders and subject to fulfillment of conditions as provided herein below:

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FAX : +91 422 2246209
E-MAIL : info@magnacast.com

REGISTERED OFFICE & WORKS : SF NO.34 AND 35, COIMBATORE POLLACHI MAIN ROAD,
MULLIPADI VILLAGE, TAMARAIKULAM POST, KINATHUKKADAVU TALUK,
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For Resident Shareholders:

1) Tax shall be **deducted** on the dividend payable to shareholder in following cases:

In accordance with Section 393(1)[Table Sr. No. 7] read with section 393(4) [Table Sr. no. 10] (earlier section 194) of the Act, tax shall be deducted at source from the dividend amount at **rate of 10%** where shareholder have registered their valid Permanent Account Number (PAN) and at **rate of 20%** for cases where the shareholders do not have PAN/have not registered their valid PAN details in their Demat Account or Folio.

Further, the persons who are required to obtain Aadhaar number, must link the same with PAN number. If PAN and Aadhaar numbers are not linked, such PANs would be treated as inoperative as per latest Income Tax norms and higher TDS rates will be applicable as per the provisions of Section 397 of Income Tax Act 2025.

2) No tax shall be deducted on the dividend payable to shareholder in following cases:

Category of Shareholder	**Tax Deduction Rate**	**Exemption Applicability/ Documents required**
Resident Individual	NIL	• If the aggregate of total dividend distributed/paid to a resident Individual shareholder by the Company during Tax Year 2026-27 does not exceed ₹ 10,000/- (any mode other than cash). • Where the dividend exceeds ₹ 10,000/- for the Tax Year 2026-27, shareholder shall provides duly signed Form 121 [Resident Senior Citizen Individual, HUF, Trust etc.,] except Firm/Company along with the self-attested copy of the PAN card, provided that all the required eligibility conditions are met as per Income Tax norms. • Exemption certificate issued by the Income-tax Department, if any.
Resident Non-Individual	NIL	• **Insurance companies:** Declaration that the provisions of Section 393(1) [Table SI. No. 7] of the Act are not applicable to them along with self-attested copy of registration certificate and PAN card. • **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption under Schedule VII [Item No. 20/21, as applicable] of the Income Tax Act, 2025, supported by a self-attested copy of registration documents and a valid, operative

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
		Permanent Account Number (PAN). • **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is an Alternative Investment Fund (AIF) established in India and is eligible for tax exemption under Schedule V (Table: S. No. 1) of the Income Tax Act, 2025. We further declare that the Fund is registered as a Category I / Category II AIF (as applicable) under the SEBI (Alternative Investment Funds) Regulations, 2012, and is supported by a self-attested copy of the SEBI registration certificate and a valid, operative Permanent Account Number (PAN). • **Other shareholders** – Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card. Shareholders who have provided a valid certificate issued u/s. 395 (earlier sec.197) of the Act for Lower / Nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration

FOR NON-RESIDENT SHAREHOLDERS:

Tax is required to be withheld in accordance with the provisions of Section 393 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 159 of the Act, a non-resident shareholder has the 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 they are more beneficial to the shareholder.

For this purpose, i.e. to avail the Double Tax Avoidance Agreement (DTAA) benefits, the non-resident shareholder will have to provide the following:

i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
iii. Form 41 (erstwhile Form 10F) applied through Income Tax Website by the shareholder's PAN login (https://eportal.incometax.gov.in/iec/foservices/#/login) and get it with acknowledgement number;

iv. In case of Foreign Portfolio Investors (FPI), self-attested copy of the SEBI registration certificate.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable DTAA. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

In addition, no tax/lower tax shall be deducted on the dividend payable to non-resident members if –

i. the member submits exemption certificate/lower deduction certificate u/s 395(1) of ITA 2025 [corresponding to erstwhile Section 197 of ITA 1961] in respect of Section 393(2) (Table: S. No. 17) of ITA 2025 [corresponding to erstwhile Section 195 of ITA 1961], if any, issued by the Income-tax Department along with self-attested copy of PAN card.

ii. in case of Sovereign Wealth Fund, Pension Funds, other bodies notified under Schedule V (Table S. No. 7) of ITA 2025 [corresponding to erstwhile Section 10(23FE) of ITA 1961], if the member submits self-attested valid documentary evidence regarding the applicability of Schedule V (Table S. No. 7) of ITA 2025 and a declaration substantiating the fulfilment of conditions prescribed under Schedule V (Table S. No. 7) of ITA 2025.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident individual shareholders receiving dividend upto ₹ 10,000/- or if Form 121 (earlier Form 15G/15H) along with self-attested copy of the PAN card is submitted (If the dividend is above₹ 10,000/-).

- 10% for other resident shareholders who have registered their valid PAN.

- If PAN and Aadhaar numbers are not linked, such PANs would be treated as inoperative and higher TDS rates @20% as per provisions of Income Tax Act.

- 20% for resident shareholders who do not have PAN / have not registered their valid PAN.

- 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.

- Lower/ Nil TDS on submission of self-attested copy of the valid certificate issued under section 395 of the Act.

- Tax will be assessed on the basis of documents submitted by the resident / non-resident shareholders.

- Non Resident Shareholders claim DTAA concessional TDS rate submit Form 41 (earlier Form 10F) applied through Income Tax Department new web portal using their PAN user login (https://eportal.incometax.gov.in/iec/foservices/#/login) and generate Form 41 (earlier Form 10F) with acknowledgement number as per Income Tax norms.

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 such deductee should file declaration with Company in the manner prescribed by the Rules, not later than 5th September, 2026.

Shareholders may submit the aforementioned documents to investorscell@magnacast.com on or before 5th September, 2026 in order to enable the Company to determine and deduct appropriate tax.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible. The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

Notes:

1. Incomplete and/or unsigned forms and declaration will not be considered by the Company. No communication on the tax determination / deduction shall be entertained 5th September, 2026.

2. If your PAN detail is not registered, we request you to update the same with your Depository Participant (if the shares are held in dematerialized mode) or the Company's Registrar and Share Transfer Agents (if the shares are held in physical mode), at the earliest.

3. 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.

4. Shareholders will be able to see the credit of TDS in Form 168 (Erstwhile Form 26AS), which can be downloaded from their e-filing account at https://www.incometax.gov.in.

5. Shareholders holding shares under multiple 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.

6. In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

7. The Beneficiary data provided by the CDSL and NSDL will be taken for consideration.

8. 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 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.

9. Shareholders are requested to ensure that their Bank Account Details in their respective Demat Accounts / Physical Folios are updated, to enable to make timely credit of dividend in their bank accounts.

10. The above communication on TDS sets out the provisions of law in a summary manner only and does not support to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their tax advisors for the tax provisions applicable based on their particular circumstances.

We seek your co-operation in the matter.

Thanking you,
Yours faithfully,
Sd/-
N Krishnasamaraj
Managing Director

Note: Please do not reply to this email as this email ID is not monitored.