PAYMENT OF DIVIDEND

The Board of Directors of the Company, at its meeting held on May 13, 2026, has recommended a Final dividend of Re. 0.40 (Forty Paise) per equity share of face value of Rs.2/- each, for the financial year ended March 31, 2026, which shall be payable to the members if approved, at the Annual General Meeting (AGM) of the Company scheduled to be held on **September 08, 2026.**

As you may be aware, pursuant to the Income Tax Act, 2025 ("**Act**"), dividends paid or distributed by the Company is taxable in the hands of the members. The Company shall, therefore, be required to deduct tax at source at the time of making the payment of the said Final Dividend to the members.

The TDS rate may vary depending on the residential status and the documents submitted by a member to the Company in accordance with the provisions of the Act. Accordingly, the tax to be deducted for various categories of members along with required documents is provided in Table 1 and 2 below:

TABLE 1: RESIDENT MEMBERS

Category of member	**Tax Deduction Rate**	**Exemption applicability/ Documentation requirement**
Any resident member	10%	Update the Permanent Account Number (PAN) if not already done with depositories. No deduction of taxes in the following cases · If dividend paid to the resident individual member during the Financial Year 2026-27 does not exceed Rs. 10,000/- · If member is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Resident Member submitting Form 121 *(Only resident individual shareholders are eligible for Form 121)*	NIL	Eligible Resident Member providing Form 121 - on fulfilment of prescribed conditions.
Members in possession of Order under section 395 of the Act	Rate provided in the said Order	Certified true copy of the lower/NIL withholding tax certificate obtained from Income Tax Authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of Section 393(4) [Table Sr No. 10] of the Act are not applicable.

Category of member	Tax Deduction Rate	Exemption applicability/ Documentation requirement
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	Documentary evidence that the Corporation is covered under Section 393(5) of the Act.
Mutual Funds specified Section 11 read with Schedule VII serial no. 20 of the Act	NIL	Documentary evidence that the Mutual Fund is covered under Section 393(5) of the Act.
Alternative Investment fund	NIL	Documentary evidence that the fund is covered by Notification No. 51/2015 dated 25 June 2015. A declaration that its income is exempt under Section 11 - Schedule V [Table: S. No. 1] of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with a copy of registration documents (self-attested)
Other resident member without PAN / invalid PAN/ PAN-Aadhaar not linked	20%	

TABLE 2: NON-RESIDENT MEMBERS:

Category of member	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident member including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower. Non-Resident members who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act, the tax shall be withheld @ 30% (plus applicable surcharge and cess) on the amount of dividend payable.	Eligible Non-resident members may opt for lower tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company: - · Copy of the PAN Card, if any, allotted by the Indian authorities. · Self-attested copy of Tax Residency Certificate (TRC) valid for the FY 2026-27 (or Calendar year 2026), obtained from the tax authorities of the country of which the member is resident · Copy of electronically filed Form 41 on the income tax portal for the FY 2026-27 (or calendar year 2026). · Self-declaration confirming not having a Permanent Establishment in India and

Category of member	Tax Deduction Rate	Exemption applicability/ Documentation requirement
		eligibility to Tax Treaty benefit (format attached herewith). · Tax identification number in the country of residence . In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate along with declaration whether the investment in shares has been made under the general FDI route or under the FPI route. . In case of member being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident member and are in accordance with the provisions of the Act.
Submitting Order under Section 395 of the Act	Rate provided in the said Order	Certified true copy of the lower/NIL withholding tax certificate obtained from Income Tax authorities.

Please Note that:

a) Permanent Account Number is mandatory to be registered for each Folio/DP id-Client Id. In absence of a valid PAN, tax will be deducted at a higher rate of 20% as per Section 397 of the Act and tax credit certificate cannot be generated

b) Members 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

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be emailed to **corporate@aeroflexgroup.in** on or before **September 01, 2026** to enable the Company to determine and deduct appropriate TDS / withholding taxes. No communication/documents on the tax determination / deduction shall be considered after **September 01, 2026**. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted at higher rate.

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's Registrar in the manner prescribed by the Rules.

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 262 of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 397 of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Members may visit https://www.incometax.gov.in/iec/foportal/ for FAQ issued by the Government on PAN Aadhar linking.

If the tax on said dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by **September 01, 2026,** the members may claim an appropriate refund in their return of income.

Members are also requested to complete necessary formalities with regard to their bank accounts linked to their demat account(s) for enabling the Company to make timely credit of dividend in the respective bank accounts.

We look forward to your participation in the 41st Annual General Meeting through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

The forms are available on the below mentioned link:

a) Annexure 1 - Form-No-121 click here

b) Annexure 2 - Declaration of Category of Resident Shareholder click here

c) Annexure 3 - Declaration by non-resident shareholder click here

d) Annexure 4 - TDS Declaration Format Under Rule 203 click here

e) Appendix A for Rule 203 click here

f) Annexure 5 - Form No. 41 click here