HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

Regd. Office: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003
CIN: L74899DL1970GOI005276
Website: www.hudco.org.in , Email: cswhudco@hudco.org
Phone: 011-24649610-21, 24648193-95

Dear Shareholder,

Subject: Intimation/ Communication in respect of Deduction of tax at source on 1st Interim Dividend for the Financial Year 2026-27.

We are pleased to inform you that the Board of Directors of your Company in its meeting held on 27th July, 2026, have recommended 1st interim dividend of **Rs.1.25/-** i.e., 12.50% per equity share having face value of Rs. 10/- each for the Financial Year 2026-27.

The Company has fixed Friday, **31st July, 2026** as the Record date for determining the entitlement of members to 1st interim dividend for Financial Year 2026-27.

In terms of provisions of Income-tax Act, 2025, ('IT Act'), dividend paid and distributed by a company is taxable in the hands of shareholders during the "Tax Year". Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable on the amount distributed to the shareholders.

To claim exemption from deduction of tax at source including deduction at concessional rates, shareholders are required to submit the requisite documents as prescribed under the IT Act at **dividend.tax@hudco.org** only latest by **2nd August, 2026 (5 p.m.).** Documents received after 2nd August, 2026 (5 p.m.). and/ or incomplete documents will not be considered.

As per the latest information available with the depositories (NSDL/CDSL) or with the Beetal Financial & Computer Services Pvt. Ltd., Registrar and Transfer Agent (RTA), you are classified either as a Resident Shareholder or a Non-resident Shareholder and sub-classified as Individual / Company / Firm / HUF/AOP/ Trust / other entity based on the Permanent Account Number (PAN). If there is any change in the above information, you are requested to update your records such as tax residential status, permanent account number (PAN) and register your email address, mobile number and other details with your relevant depository through your depository participants in case you are holding shares in dematerialized form and if you are holding shares in physical mode, with the Company's RTA.

The applicable Tax Deduction at Source (TDS) provisions under the IT Act applicable for Resident and Non-Resident Shareholders are as under:

For resident shareholders- Individuals

Particulars	Withholding tax rate	Documents required (if any) / Remarks
Valid PAN updated in the Company's Register of Members.	10%	No document required. In case of individual member, if aggregate dividend does not exceed ₹10,000/-, no TDS / Withholding tax will be deducted. Please also refer Note below.
No PAN / Invalid PAN/ Valid PAN not updated in the	20%	TDS will be deducted at 20% as provided under Section 397(2) of the Income-tax Act, 2025,

Company's Register of Members / PAN is not linked with AADHAAR in case of an individual		regardless of dividend amount, if PAN of the member other than individual is Invalid / not registered with the Company / Beetal / DP. In case of individual member, if PAN is not registered with the Company / Beetal / DP or if PAN is not linked with AADHAAR and cumulative dividend payment to an individual member is more than ₹10,000/-, TDS / Withholding tax will be deducted at 20% under Section 397(2) of the Income-tax Act, 2025. All the members are requested to update, at the earliest, their valid PAN with their DP (if shares are held in dematerialised mode) and the Company / Beetal (if shares are held in physical mode) and individual members to also link their PAN with AADHAAR. Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer Note below.
Availability of Lower / Nil Tax Deduction Certificate issued by the Income-tax Department u/s 395(1) of the Income-tax Act, 2025	Rate specified in the certificate	Lower Tax Deduction Certificate obtained from Income tax Authority to be submitted at the earliest.

Note: No TDS will be deducted in case of resident individual members whose dividend does not exceed ₹ 10,000. However, where the PAN is not updated in the Company / Beetal / DP records or if PAN is not linked with AADHAAR and cumulative dividend payment to individual member is more than ₹ 10,000, the Company will deduct TDS / Withholding tax u/s 393(1) with reference to Section 397(2) of the Income-tax Act, 2025.

To facilitate timely and accurate processing of Tax Deducted at Source (TDS), shareholders are further advised to ensure that the form submitted is complete, valid, and accurate.

For Resident Shareholders - Other than Individuals:

Category of shareholder	**Documents required**
Insurance companies	Self-declaration that they are beneficial owners of shares held along with self-attested copy of registration certificate and PAN.
Mutual Funds	Self-declaration that they are governed by the provisions of the IT Act, along with self-attested copy of PAN and SEBI registration certificate.
Alternative Investment Fund (AIF) established/ incorporated in India	A self-declaration that its income is exempt under the provisions of the IT Act and they are established and governed as category I or category II AIF under the SEBI regulations along with self-attested copy of the PAN and SEBI registration certificate.
New Pension System Trust	A self-declaration that they are governed by the relevant provisions of the IT Act along with self-attested copy of the PAN and registration certificate
Corporation established by or under a Central Act	Documentary evidence that the Corporation is covered under relevant provisions of the IT Act and along with self-attested copy of the PAN and registration certificate
Other non-individual resident shareholders	Valid documentary evidence along with an attested copy of the PAN substantiating exemption from deduction of TDS.

For non-resident shareholders:

Taxes are required to be deducted in accordance with the provisions of the IT Act, at the rates in force. The TDS shall be at the rate of **20% (plus applicable surcharge and cess)** or as Tax Treaty Rate, whichever is lower.

However, as per Section 159 of the IT Act, 2025, non-resident shareholders have 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 member, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA, non-resident shareholders will have to provide the following documents well before 2nd August, 2026:

- Self-attested copy of the valid PAN card allotted by the Indian Income Tax authorities or declaration as per Rule 217 of the Income-tax Rules, 2026 in a specified format.;
- Self-attested copy of the Tax Residency Certificate (TRC) covering the Tax Year 2026-27 issued by the tax authorities of the country of which the shareholder is resident;
- Electronic Form No. 41 as per IT Act, 2025;
- Self-declaration by the non-resident shareholder of having no permanent establishment in India in accordance with the applicable tax treaty of Tax Year 2026-27;
- Self-declaration of beneficial ownership of Tax Year 2026-27 by the non-resident shareholder;
- Self-declaration that the non- resident shareholder is eligible to claim the benefit of the respective Tax Treaty in the Tax Year 2026-27;
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted @ 20% (plus applicable surcharge and cess).

Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident member and review to the satisfaction of the Company.
The Company reserves its right to recover any demand raised subsequently on the Company for providing wrong/ inadequate information for claiming exemption from deduction of tax at nil/concessional rates.

In the event the benefit of lower tax on dividend cannot be provided by the Company in the absence of, or due to late receipt of, the aforesaid documents, shareholders will still have an option to claim appropriate refund, if eligible, at the time of filing their income tax returns. No claim shall lie against the Company for taxes once deducted.

Shareholders having multiple accounts under different status/ category

In case Shareholders holding shares in multiple accounts under different status/ category under a single PAN, higher of the tax as applicable to the status in which shares are held under a PAN, will be considered on their entire holding in different accounts.

Information on tax deducted:

a) The company will not provide the benefit of Most Favored Nation Clause at the time of deduction of TDS. Shareholders can claim such benefit while filing their return of income.

b) Shareholders can also use the "View Your Tax Credit" facility available at www.incometaxindia.gov.in. Please note, the credit in Form 168 would be reflected after the TDS Return is filed on a quarterly basis by the Company, and the same is processed by the Income-tax department;

c) Shareholders can check Form 168 from their e-filing accounts at https://www.incometax.gov.in/iec/foportal/

d) If the requisite documents and details are not provided by the shareholders within the specified time, TDS shall be deducted/ regulated as per the provisions of the IT Act. If TDS is deducted at a rate which is considered higher than the applicable rate of tax in a particular case, refund of such excess TDS may be claimed by the shareholder as provided under law. No claim shall, however lie against the Company for such deduction of TDS;

e) 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 appellate proceedings, if any, preferred by the Company;

f) Further, shareholders who have not registered their email address are requested to register the same. In case shares are held in physical mode, please provide Folio No., Name of shareholder, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA of the Company.

g) In case shares are held in Demat mode, please provide DPID-CLID (16-digit DPID + Client ID or 16-digit beneficiary ID), Name, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to your DP;

h) In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to its members.

To enable the Company to make prompt/ timely credit of dividend in the bank accounts of the shareholders, shareholders are requested to ensure that their bank account details in their respective Demat accounts are updated. In case shares are held in physical form, necessary updation of bank account details, if required, be made with Company's Registrar and Transfer Agent.

Note: The link to access the relevant forms for claiming exemption from TDS is given below:

https://hudco.org.in/writereaddata/TDS-Deduction-Claim-form.pdf

This communication should not be treated as tax advice from the Company.

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

****