Date: 03.08.2026

Sub: Tax on Final Dividend for FY 2025-26

Dear Shareholder(s),

Board of Directors of Coal India Limited at their meeting held on **27th April'2026** has inter-alia recommended the payment of **Final Dividend @ 5.25/- per equity share** having face value of Rs.10/- each for the FY 2025-26 subject to the approval of the shareholders at the 52nd AGM of Coal India Limited.

The dividend, as approved by the Shareholders, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on **Friday, 4th Sept'2026 i.e, Record Date.**

SEBI vide its Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 dated 18th Nov'2025 inter-alia, has omitted the existing first and second proviso to Regulation 12. Accordingly, it is hereby informed to all the shareholders that CIL will be paying dividend through RBI approved electronic modes only and no physical dividend such as warrant, cheques, demand draft etc. will be dispatched to shareholders. In order to facilitate timely receipt of dividend directly in the bank account(s), shareholders are requested to ensure that the bank account details in their respective demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts.

In accordance with the provisions of the Income Tax Act, 2025 read with Income Tax Rules, 2026 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source as per applicable provisions of Income Tax Act, 2025 ("the Act") depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

This communication summarizes the applicable Tax Deduction at Source ("TDS") provisions, as per the Income Tax Act, 2025 for various categories of shareholders along with required documents 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%	No deduction of taxes in the following cases – • If dividend income paid or likely to be paid to a resident individual shareholder during Tax Year 2026-27 does not exceed **INR 10,000/-**. • If shareholder 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.

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
		• Submitting declaration in **Form No.121** {i.e erstwhile Form 15G (applicable to individuals only in respect of dividend income) / Form 15H (applicable to an Individual who is 60 years and older)}, fulfilling all the required eligibility conditions. ***While filling the form, the shareholder should ensure that the total amount of dividend expected to be received from Coal India Limited during the current Tax Year (inclusive of dividend received in previous tranches, if any) must be mentioned to be considered as exempted from TDS***. • In case PAN is not furnished / found to be invalid / inoperative, the rate of deduction of tax shall be 20% as per Section 397 of the Act. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.*** **Click here to download Form 121**
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and PAN card along with self-declaration that the mutual funds are notified mutual fund under Schedule VII (21) of Income Tax Act, 2025. In case the shares are held in the name of the mutual fund, but the beneficial owners are someone else, the same must be informed within the stipulated time with suitable declaration. Further, a list of such beneficial owners as on the record date must also be submitted within the stipulated time. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of Section 393 of the Income Tax Act, 2025 are not applicable along with self-attested copy of PAN card. In case the shares are held in the name of insurance companies but the beneficial owners are someone else, the same must be informed within the stipulated time with suitable declaration. Further, a list of such beneficial owners as on the record date must also be submitted within the stipulated time. Copy of registration certification issued by the IRDAI to be submitted. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Entities exempt under Section 11 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS along with self-attested copy of PAN card (entities as provided in Circular No.18 of 2017 dated 29 May 2017) ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Benefit under Rule 203	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders, then intermediaries/ stock-brokers and beneficial shareholders will have to provide a declaration within the stipulated time. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
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 of the Income Tax Act, 2025 along with self-attested copy of PAN card. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Shareholder submitting Order under section 395 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities along with self-attested copy of PAN card. Tax will be deducted at the rate specified in the said certificate, subject to furnishing of a self-attested copy of the same. The certificate should be valid for the TY 2026-27 and should cover the dividend income. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Alternative Investment fund (AIF)	NIL	A declaration that the income is exempt under Schedule V(1) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Self-attested copy of registration documents and PAN card should be provided. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Other resident shareholder without PAN / Invalid PAN /	20%	Shareholders should update their PAN, if not already done, with depositories (in case shares are held in demat mode) and with the Company's Registrar & Share Transfer Agent – M/s Alankit Assignments Limited, at their email id: **rta@alankit.com** (in case the shares are held in physical mode).
Minor		In case of a shareholder seeking exemption from tax being deducted at source, he is required to file a declaration with the company in Form 121 (erstwhile Form 15G). Further, where the minor has a taxable income and tax has been withheld at source under any provisions of the Act, the whole or any part of such income becomes assessable in the hands of a person other than the deductee. The credit for the whole or any part of the tax deducted at source, as the case may be, shall be given to the other person and not to the deductee, provided that the deductee files a declaration with the deductor and the deductor reports the tax deduction in the name of the other person in the information relating to deduction of tax. In this regard, the parent/guardian is required to submit a declaration with the company in accordance with Rule 203 within the stipulated timelines to

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
		avail the withholding tax credit (TDS credit). ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***

Table 2: Non-resident Shareholders

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder / Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI)	393(2)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders / FFI / FPI may opt for 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 as on the record date obtained from the tax authorities of the country of which the shareholder is resident. ➢ Electronically generated Form 41 from the link https://eportal.incometax.gov.in/ ➢ Self-declaration from Non-residents, primarily covering the following: • Non-resident is eligible to claim the benefit of respective tax treaty. • Non-resident receiving the dividend income is the beneficial owner of such income. • Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. • Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'); • Non-resident does not have a place

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
			of effective management in India. TDS under the Tax Treaties will only be considered as per the rates mentioned in the Dividend Article of respective Tax Treaty. No claims for concessional rate as per the Most Favoured Nation ('MFN') clause shall be claimed and/or allowed. TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided / found to be not valid. The Company is not obligated to automatically 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 and satisfactory review by the Company, of the documents submitted by the non-resident shareholders. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Shareholders Submitting Order under section 395 of the Act	395	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities, along with self-attested copy of PAN card. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the TY 2026-27 and should cover the dividend income. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined under Section 176(1) of the Act	395	30% (plus applicable surcharge and cess)	-
Sovereign Wealth Fund, Pension Funds, Other bodies notified under Schedule V	Schedule V (7)	Nil	Self-Declaration substantiating the fulfilment of conditions prescribed under Schedule V (7) of the Act along with copy of certificate of registration/ incorporation.

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
(7) of the Act			***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***
Declaration regarding opting out of Sec 202		Not Applicable	From FY 2023-24, the Company is required to declare in the quarterly TDS Return in Form 27Q whether the shareholder is opting the old regime or new regime prescribed under section 202 while filing the return of income. In view of the same, the non-resident shareholders are required to give a declaration mentioning their Name, PAN, status of PAN and whether section 202 of the Income Tax Act, 2025 is opted or not. Note: Where no declaration is received, it will be assumed that the non – resident shareholder is not opting out of section 202. ***Any declaration(s) /documentary evidence(s) submitted after the cut-off date will not be accepted.***

Shareholders are also requested to take note of the following:-

1. For shareholders holding shares under multiple accounts under different status/category and single PAN, 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.

2. While filing Form 121, the following must be noted

   “Estimated Income for which this declaration is made” - The estimated total dividend income to be received from CIL during the current financial year including the present dividend.

   “Details of Income for which the declaration is filed” –
   i. Identification number of relevant investment / account etc.- DP ID/Client ID
   ii. Nature of Income – Dividend Income
   iii. Section under which tax is deductible – Section 393
   iv. Amount of Income – total dividend income received from CIL during the current financial year including the present dividend

   Note: The total dividend for the Tax year (TY) 2026-27, constituting 1st Interim Dividend TY 2026-27@ 5.50/- per equity share and Final Dividend FY 2025-26 @ 5.25/- per equity share, aggregates to Rs. 10.75/- per equity share.

3. In compliance with applicable tax regulations and with a view to improving efficiency, security, and ease of document submission, we wish to inform all the shareholders that going forward, all documents and declarations pertaining to tax on dividend — including but not limited to Forms 121, Certified copies of PAN and Tax-Residency Certificates and documents under Rule 203 — shall be submitted through our designated web portal. The web portal has been designed to ensure secure transmission of all sensitive information and to provide a convenient and user-friendly interface for uploading the required documents by the shareholders.

The Tax Portal may be assessed at https://taxportal.coalindia.in. The Tax Portal shall remain open from **Tuesday, 18th August'2026** till **Friday, 4th Sept'2026 (cut-off date)**.

However, as an interim measure, in case you experience any technical issues or are unable to access the portal for any reason, you may submit these documents by email at [cil.taxdoc@coalindia.in] during the above-mentioned period.

It is requested to kindly complete the submission of all tax-related documents on or before **Friday, 4th Sept'2026 (cut-off date)** to facilitate timely processing and avoid higher tax deduction at source on dividend pay-outs.

4. In terms of Rule 203 of the 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 ***upload / mail*** the duly signed declaration with details of actual beneficiary as on the record date in excel sheet in the manner prescribed in the said Rules **on or before Friday, 4th Sept'2026 (cut-off date)** for the purpose of payment of Dividend. Declarations filed/received after the said period shall not be considered.

5. No communication on the tax determination/deduction other than by ways other than as mentioned above and/or post the cut-off date shall be entertained. The Company reserves the right to reject the documents in case of any discrepancy or if the documents are found to be incomplete.

6. In case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible, at the time of filing their income tax returns. **No claim shall lie against the Company for taxes once deducted.**

7. 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.

SECTION 397 OF THE ACT

Individual Shareholders are requested to ensure that their 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% under section 397 of the IT Act.

In case where Section 397 (non-PAN) is applicable i.e. the PAN of the shareholder is invalid/inoperative or invalid; tax will be deducted at higher of the three rates prescribed in the section.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 397 of the Act.

While on the subject, it is also requested to submit / update the bank account details with respective Depository Participant, in case shares are being held in electronic form. In case the shareholding is in physical form, it is requested to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with shareholder name and bank account details and a copy of PAN card, duly self-attested, with our RTA, M/s Alankit Assignments Limited. This will facilitate the receipt of dividend directly into the bank accounts. In case the cancelled cheque leaf does not bear the name, it is requested to attach a copy of the bank pass-book statement, duly self-attested.

We are pleased to inform our shareholders that, in our continuous efforts to enhance shareholder services, TDS certificates relating to dividend payments are now available for download through our dedicated online Tax portal. The portal has been designed to provide secure and user-friendly experience, enabling you to conveniently access your tax documents anytime, anywhere.

TDS certificates may be assessed and downloaded by logging in at https://taxportal.coalindia.in

It may be noted that henceforth TDS Certificates shall not be mailed separately. In case of any issues with downloading, shareholders may raise a request at cil.taxdoc@coalindia.in for the said purpose.

Shareholders are also requested to register their email IDs and mobile numbers with the Company at cil.taxdoc@coalindia.in or with M/s Alankit Assignments Limited at their email id: rta@alankit.com

Shareholders' cooperation is highly solicited.

For **COAL INDIA LIMITED**

Sd-

B.P.Dubey
Executive Director (CS)

Note: ***Please mention your DP ID/ Client ID, PAN & contact number in all future communications.***

Disclaimer: This communication should not be construed as tax advice from the Company. It has been provided solely as an investor service and is intended for informational purposes only.