



ESTER INDUSTRIES LIMITED

CIN - L24111UR1985PLC015063

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Dear Shareholders,

Subject: Communication to Shareholders – Deduction of Tax at Source (“TDS”) on the amount of Dividend income from Ester Industries Limited (“the Company”)

We are delighted to inform you that the Board of Directors at its meeting held on 21st May, 2025, has recommended a Dividend of Rs. 0.60 per equity share of Rs. 5 each for the FY 2024-25. This recommendation is subject to the approval of shareholders in the forthcoming Annual General Meeting scheduled to be held on Friday, 26th September 2025. In terms of Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Record Date has been fixed as 19th September 2025 for the purpose of determining the eligibility of shareholders for payment of Final Dividend, if declared by the Shareholders in the ensuing Annual General Meeting. The dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or before Friday, 24th October 2025 to those Members, whose names are registered in the Company’s Register of Members, as of close of business hours on Friday, 19th September, 2025.

We would like to draw your attention to the fact that, as per the Finance Act, 2020, dividend paid or distributed by the Company after 1st April, 2020, are taxable in the hands of the Shareholders. Therefore, the Company is required to deduct tax at source at the time before making any distribution or payment to a shareholder of the said Dividend, as per the following tax categories:

1. For Resident Shareholders:

- Taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 (“ITA”), at 10% on the dividend amount if you have provided your Permanent Account Number (PAN).
- If PAN is not provided or the PAN is invalid or the PAN is inoperative due to non-intimation of Aadhaar number to the income tax authority as required in section 139AA(2) read with rule 114AAA of the Income-tax Rules, 1962, as applicable, tax shall be deducted at source at 20%. The Company reserves its right to recover any demand raised subsequently on the Company by the Income-tax Department for not informing or providing wrong information to the Company on the applicability of Section 206AA of the Act.
- However, please note that no tax shall be deducted on the dividend payable to a resident shareholder who is an individual if the aggregate total dividend to be received by that resident individual shareholder during Financial Year 2025-26 does not exceed Rs. 10,000.

- In cases where the shareholder provides duly filled Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an Individual who is 60 years of age or above) for FY 2025-26, complete in all aspects and meeting all the required eligibility conditions, no taxes will be deducted at source. Please note that a Permanent Account Number (PAN) is mandatory for providing 15G/15H forms.

2. For Foreign Portfolio Investor (FPI)/(FII) Shareholders:

- The Taxes shall be deducted at source under Section 196D of the ITA, 1961, at 20% on the dividend amount payable (plus applicable surcharge and cess).
- The Taxes may be deducted as per the beneficial rate of the relevant Double Tax Avoidance Agreement (Treaty) between India and the country of tax residence of the FPI/FII, as per Section 90(2) of the ITA, subject to any conditions mentioned in the SEBI Registration Certificate as FII/FPI and related documents prescribed from Serial number 1 to 4 under the Para "For Other Non-Resident Shareholders" mentioned below.

3. For other Non-resident Shareholders:

Taxes are required to be deducted in accordance with the provisions of Section 195 of the ITA, at the rates in force. Accordingly, as per the current provisions, tax shall be deducted at the rate of 20% on the dividend amount payable (plus applicable surcharge and cess).

However, as per section 90(2) of the ITA, the non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (Tax Treaty) between India and the country of tax residence of the shareholders, if they are more beneficial to them. Hence, for availing a lower rate of deduction of tax at source under an applicable Tax Treaty, non-resident shareholders need to provide the following:

- Self-attested copy of the PAN (if allotted by the Indian Income Tax authorities).
- Self-attested copy of the Tax Residency Certificate (TRC) obtained from the tax authorities of the shareholder's resident country for FY 2025-26. If the TRC is furnished in a language other than English, it should be translated to English, duly notarized and apostilled.
- Electronic Form 10F for FY 2025-26, if the details required in this form are not mentioned in the TRC. In pursuance of Notification no. 03/2022 dated 16th July 2022, non-resident shareholders are required to furnish Form 10F electronically on income tax portal with their login credentials at eportal.incometax.gov.in.
- Self-declaration by the non-resident shareholder for FY 2025-26 (Refer Self-Declaration **Annexure 1** attached).

4. For Other Category Shareholders:

- This category includes Mutual Funds, Insurance Companies, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government), National Pension System Trust (NPS), etc. Self-Declaration as per **Annexure 2** is to be provided.

To determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to provide the above-mentioned details and documents applicable to you **on or before 19th September 2025, 11.00 A.M.** The dividend will be paid after deducting tax at source, as determined based on the documents provided by the respective shareholders and found satisfactory.

For the purpose of understanding, the rate at which taxes are to be deducted at source based on the category of shareholders are mentioned hereunder:

Shareholder Category	Rate of TDS
Resident Shareholders	
(i) Shareholders providing Form 15G/15H	NIL
(ii) Resident Shareholder who is an Individual having aggregate dividend income from the Company in a financial year up to Rs. 10,000/-	NIL
(iii) Resident Shareholders other than (i) and (ii) above	<ul style="list-style-type: none"> • 10% in case where PAN is provided / available • 20%, in other cases where PAN is not provided / not available / invalid PAN ITA
Non – resident shareholders	
Other Non-resident Shareholders (Including investments made under FPI/FII route): Treaty benefit/ requirement of related document for FPI/FII may be subject to the condition prescribed under section 196D of the ITA.	20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned.

Note:

1. Please note that the TDS rates mentioned above shall be duly enhanced by the applicable surcharge and cess except for resident shareholders and non-resident shareholders where tax treaty benefit has been taken.
2. Kindly be aware that the aforementioned documents need to be submitted with our Registrar and Share Transfer Agent (RTA) by visiting <https://masserv.com/investortax/investor24-25.asp> and selecting '**ESTER INDUSTRIES LIMITED.**' from the drop down list and thereafter providing other information(s) i.e. Email ID; DPID-CLIENTID or Folio No. and scanned copy of the Documents determining the eligibility of shareholders for payment of Final Dividend is also required to be uploaded at '**UPLOAD TAX DOCUMENTS**' link *(Please note that Only PDF/JPG/JPEG/PNG/GIF/.ZIP file can be uploaded having maximum file size of 10MB)*. Once uploaded please click the captcha and click the upload button. You are requested to upload the said documents on or before **19th September 2025, 11.00 A.M.** This submission is necessary for the Company to determine and deduct the appropriate TDS/withholding tax rate.

Any communication regarding the tax determination or deduction in relation to the dividend will not be entertained after 19th September 2025, 11.00 A.M. (IST). In the event that the tax on the dividend is deducted at a higher rate due to the absence of the aforementioned details/documents from you, you still have the option to file a return of income with the Tax Authorities and claim an appropriate refund, if eligible.

For all communications or queries regarding this matter, please address and send them to our RTA, Mas Services Limited, at their email address: investor@masserv.com.

Please find the required forms and annexures attached below:

- To view / download Form 10F [Click here](#).
- To view / download Form 15G [Click here](#).
- To view / download Form 15H [Click here](#).
- To view / download Self-Declaration for avilment of treaty benefits as Annexure-1 [Click here](#).
- To view / download Declaration about category as Annexure-2 [Click here](#).

Disclaimer: This communication should not be regarded as advice from the Company, its affiliates, or Mas Services Limited. Shareholders are advised to seek tax advice concerning their specific tax matters from a qualified tax professional.

We request your cooperation in this regard.

For Ester Industries Limited

Sd/-

Poornima Gupta

Company Secretary & Compliance Officer