ESTER INDUSTRIES LIMITED
CIN - L24111UR1985PLC015063
Regd. Off: Sohan Nagar, P.O. Charubeta, Khatima – 262308,
Distt. Udham Singh Nagar, Uttarakhand
Website: www.esterindustries.com; Email- investor@ester.in
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Dear Shareholder(s),

Sub: Communication regarding deduction of Tax at Source (TDS) on Dividend for the Financial Year 2025-2026

We are pleased to inform you that the Board of Directors of the Company ("**the Board**"), at its meeting held on Wednesday, 13th May 2026, has recommended a dividend of ₹0.25/- per equity share of ₹5/- each for the financial year ended 31st March 2026.The proposed dividend is subject to the approval of the Members at the ensuing 40th Annual General Meeting ("**AGM**") of the Company scheduled to be held on Thursday, 24th September 2026. Such dividend, if declared, will be paid on or before 24th October 2026.

Pursuant to the provisions of the Income-tax Act, 2025 ("**IT Act**"), dividend income is taxable in the hands of the shareholders, and the Company is required to deduct tax at source (TDS), as applicable, from the dividend amount payable to shareholders.

The purpose of this communication is to provide shareholders with information regarding the applicable provisions relating to deduction of TDS on dividend income and the documents/information required to be furnished to the Company for determining the applicable rate of TDS.

I. RESIDENT SHAREHOLDERS

(1) No TDS shall be deducted from dividend payable to:

- **Individual Shareholders**

  (a) where the aggregate amount of dividend payable by the Company during the Tax Year does not exceed ₹10,000/-; or

  (b) where their income is below the taxable limit and a valid declaration is received by the Company in Form 121.

  Click here to download Form 121

- **Insurance Companies, Mutual Funds and domestic Alternative Investment Funds,** subject to receipt of required documents from such shareholders by the Company.

Click here to view / download the documents required

(2) TDS shall be deducted from dividend:

- **@ 10%** where a valid Permanent Account Number (PAN), linked to Aadhaar, has been furnished to the Depository Participant ("**DP**") (in case the shares are held in dematerialised form) or to the Company / Registrar and Transfer Agent ("**RTA**") (in case the shares are held in physical form);
- **@ 20%** where a valid PAN has not been furnished, the PAN furnished is invalid, the valid PAN has not been updated in the Company's Register of Members, or, in case of individuals, the PAN is not linked with Aadhaar;
- At a Lower / Nil tax rate, subject to receipt of the Lower/Nil Deduction certificate issued by the Income-tax Authorities.

II. NON-RESIDENT SHAREHOLDERS

(1) Non-resident shareholders may avail the benefit of the applicable tax treaty rate, subject to their eligibility under the relevant Double Taxation Avoidance Agreement ("DTAA") **and** submission of the prescribed documents to the Company.

Click here to view / download the documents required

(2) TDS shall be deducted at the rate prescribed under the Income-tax Act, 2025 or the applicable DTAA, whichever is more beneficial to the shareholder, subject to fulfilment of the prescribed conditions and submission of the requisite documents.

(3) **TDS at a lower/nil rate may be deducted**, subject to receipt of a valid Lower/Nil Deduction Certificate issued by the Income-tax Authorities.

III. GENERAL INSTRUCTIONS / INFORMATION

(1) Shareholders who wish to avail of the benefit of **Form 121 or the applicable tax treaty rate** are requested to submit the requisite forms/documents to the Company **on or before 10th September 2026**, through email at **investor@ester.in**.

Forms/documents received after 10th September 2026 or found to be incomplete or deficient may not be considered for determining the applicable rate of TDS

(2) Shareholders holding shares in multiple accounts under different status/categories but having a single PAN are requested to note that the higher rate of tax applicable to the relevant status/category may be considered on the entire holding associated with such PAN.

(3) **No claim shall lie against the Company in respect of any taxes deducted at source in accordance with the applicable law.**

(4) Declaration where dividend income is assessable in the hands of another person

Where the dividend income, as on the Record Date, i.e. 17th September 2026, is assessable to tax in the hands of a person other than the registered shareholder, including where the shares are held by a clearing member, broker, etc. on behalf of the actual beneficial owner, the registered shareholder is requested to furnish to the Company, on or before 10th September 2026, a declaration in accordance with Rule 203 of the Income-tax Rules, 2026, providing the requisite details of the person to whom credit for TDS is to be given.

No request/declaration in this regard shall be considered if received after 10th September 2026.

Click here to download the Declaration Form

(5) In case TDS is deducted at a higher rate **due to non-receipt of, or incomplete/unsatisfactory, information or documents by 10th September 2026**, the shareholder may claim an appropriate refund while filing the return of income with the Income-tax Authorities, subject to the applicable provisions of law.

(6) The Company will arrange to email a soft copy of the TDS certificate to the **registered email address of the shareholder**, in due course after payment of the dividend.

(7) Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, after payment of the said Dividend.

TDS certificates cannot be generated for resident shareholders who do not have a PAN. Shareholders whose valid PAN is available **will also be able to view the credit of TDS in Form 26AS**, which may be accessed/downloaded through their e-filing account at:

https://eportal.incometax.gov.in/iec/foservices/#/login

(8) Should you have any queries or require any assistance in the regard, please write to the Company at **investor@ester.in**.

Thank you,
For Ester Industries Limited
Sd/-
Poornima Gupta
Company Secretary & Compliance Officer

Disclaimer: This communication should not be construed as tax advice or a tax opinion from the Company. It has been issued purely as a measure of investor servicing and to provide general information regarding the applicable TDS provisions on dividend.