

**Communication in respect of deduction of tax at source on dividend pay-out as per
Income Tax Act (the Act')**

Dear Shareholder's,

In accordance with the approval of the Shareholders in 7th Annual General Meeting to be held on **Tuesday, September 23, 2025**, dividend of ₹1.00 per Fully paid-up Equity Share of face value ₹10/- each (i.e., 10%) for the Financial Year ('FY') ended March 31, 2025 will be paid to those shareholders whose names appear in the Register of Members of the Company or in the records of the Depositories as beneficial owners of the shares as at the close of business hours on **September 16, 2025 (Record date)**.

Shareholders may note that pursuant to the changes in the Income Tax Act ('the Act') as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates:

1.0 RESIDENT SHAREHOLDERS:

A.1. Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding ₹10,000/- during the FY 2025-2026 from the Company)

Sr. No.	Particular	TDS rate	Declaration/ documents required
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent (RTA) in case shares are held in physical form and no exemption sought by Shareholder.	10%	N.A.
2	No / Invalid PAN* with the Depository Participant in case shares are held in dematerialized form or RTA in case shares are held in physical form	20%	N.A.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department.	<ul style="list-style-type: none">• Copy of PAN card /• Copy of lower TDS certificate obtained from Income Tax Department

* In case Aadhaar is not linked with PAN, then the PAN shall be treated as invalid PAN

A.2. Nil Tax Deductible at Source on dividend payment to Resident Shareholders, if the Shareholders submit documents mentioned in table below with the Company/ RTA

Sr. No.	Particular	Declaration / documents required
1	A. Resident Individual furnishing valid Form 15G/ 15H	<ul style="list-style-type: none"> • Copy of valid PAN card • Declaration in Form No. 15G (applicable to a resident individual who is less than 60 years) / Form 15H (applicable to a resident Individual who is 60 years and above), fulfilling prescribed conditions. The formats of form 15G and form 15H are also available on the website of Income Tax Department which is https://www.incometaxindia.gov.in/Pages/downloads/most-used-forms.aspx.
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, InvIT) etc.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download Annexure-1 from website</i>), along with adequate documentary evidence (e.g., registration certificate), to the effect that the no TDS is required as per provisions of section 194 of the Act.
3	Shareholders covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act which is exempt from Income Tax.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download Annexure-1 from website of the Company</i>), along with adequate documentary evidence, substantiating applicability of Section 196 of the Act.
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download Annexure-1 from website</i>) along with copy of registration certificate.
5	Any other entity exempt from TDS under the provisions of section 197 of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download Annexure-1, from the website</i>) along with adequate documentary evidence, substantiating the nature of the entity • Copy of the lower TDS certificate obtained from Income Tax Department (<i>except those covered by Circular 18/2017</i>)

No tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during Financial year 2025-2026, does not exceed INR 10,000/-

2.0 **NON-RESIDENT SHAREHOLDERS:**

Tax deductible at source for non-resident shareholders will be as under:

Sr. No.	Category	TDS rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> • Copy of PAN card (if available) • Self-declaration (<i>Please download the Annexure-2, from the website</i>). • Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholders for the financial year covering the period from April 1, 2025, to March 31, 2026. • Self-Declaration in Form 10F (<i>Please download Annexure-4, from the website</i>).
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download Annexure-3, from the website</i>) along with adequate documentary evidence substantiating the nature of the entity
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Copy of PAN card or Declaration as per Rule 37BC. 2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholders for the financial year covering the period from April 1, 2025 to March 31, 2026. 3. Self-Declaration in Form 10F (<i>Please download Annexure-4, from the website</i>) <p>Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective</p>

			management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] <i>(Please download Annexure-5, from the website)</i>
4	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10 (23FE) of the Act	NIL	Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. Self-Declaration <i>(Please download the Annexure-6, from the website)</i> that the conditions specified in section 10(23FE) have been complied with.
5	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	Copy of the lower TDS certificate obtained from Income Tax Department.
6	Any other cases	Applicable rate or Nil	Copy of the PAN card (if available) Relevant supporting, and self-declaration

In case PAN is not updated with the Company's RTA or depository or PAN is not available in case of resident shareholders or non-residential shareholders having permanent establishment in India and information sought in the declaration are not provided, higher rate of TDS as per section 206AA shall be applied.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

3.0 Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and proportion of credit to be given in respect of dividend income. These details will need to be submitted before the date mentioned in this communication to give effect to the same, failing which the Company will not be able to give effect for the same.

4.0 For Shareholders Having Multiple Accounts under Different Status / Category:

Shareholders holding equity shares in the Company 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 are held under a PAN will be considered on their entire holding in different accounts.

5.0 For all shareholders:

Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants, in case the shares are held in dematerialized form. In case a shareholder is holding shares in physical mode, he/she is requested to furnish details to the Company's registrar and share transfer agent.

Individual resident shareholders are request to kindly link AADHAAR with PAN on the Income- Tax Portal.

The aforementioned forms/annexures for tax exemption can be downloaded from the website of the Company's RTA <https://web.in.mpms.mufig.com/client-downloads.html> or website of the Company - <https://www.aarti-surfactants.com/index.htm>

The aforementioned documents (duly completed and signed) are required to be uploaded on the website of the Company's RTA <https://web.in.mpms.mufig.com/formsreg/submission-of-form-15g-15h.html> (attachment size is restricted to max. 10mb). In the email, please mention the following information:

1. Name of Shareholders
2. Folio / DP-Client ID
3. PAN
4. Financial year
5. Name of Form submitted

Please note that uploading of documents (duly completed and signed) on the above-mentioned email-id of RTA should be done on or before **September 16, 2025**, in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after **September 16, 2025, at 6:30 PM (IST)**.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act. The Company reserves the right to reject the documents in case of any discrepancies, or the documents are found to be incomplete.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or any other reasons, the Company shall not be liable to refund any excess TDS deducted. Shareholders shall have an option to file a return of income as per the provisions of the Act and claim refund of any excess TDS. No claim shall lie against the Company for such taxes deducted.

Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.

The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said dividend/furnishing of TDS returns for the financial year 2025-26 with the tax authorities.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.
