DONEAR® INDUSTRIES LTD.
Donear House, Plot No. A-50, Road No. - 1, MIDC., Andheri (E), Mumbai - 400 093.
Tel : 022 - 68348100 (Board Line) | Fax : 022 - 68348313
E: investor@donear.com / info@donear.com
Web: www.donear.com CIN : L99999MH1987PLC042076

Donear/SECD/SE/2026-27 August 23, 2026

To, **The Manager,** **Corporate Relations Department,** **BSE Limited** Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai – 400 001 **Scrip Code: 512519**	To, **The Manager,** **Listing Department,** **National Stock Exchange of India Limited,** Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 **Symbol: DONEAR**

Sub: Communication to Shareholders - Intimation on Tax Deduction on Dividend

Dear Sir/Madam,

Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2025, dividend distribution tax has been abolished and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an e-mail communication sent to all shareholders having their e-mail IDs registered with the Company/Depositories explaining the process regarding the applicability of tax deduction and procedures to be followed by the shareholders to ensure appropriate deduction of tax on the dividend, if declared at the 40th Annual General Meeting and payable during FY 2026-2027.

This communication is also being made available on the website of the Company at www.donear.com

This is for your information and records.

Thanking You,
For Donear Industries Limited

KRISHNA ASHISH AGRAWAL
Digitally signed by KRISHNA ASHISH AGRAWAL
Date: 2026.08.23 09:44:13 +05'30'

Krishna Agrawal
Company Secretary & Compliance Officer

Encl: as above

DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076
Registered Office: Plot No. A-50, Donear House, 8th floor, Road No. 1, MIDC, Andheri (East), Mumbai, Maharashtra, 400093
Tel No: +91 22 -68348100, Fax No.: +91 22 68348313
E-mail: investor@donear.com; Website: www.donear.com

Date: August 22, 2026

Dear Shareholder(s),

We are pleased to inform you that as you are aware, the Board of Directors of the Company, at its meeting held on May 30, 2026 has recommended final dividend of Rs. 0.20 (@10%) per equity share of face value Rs. 2/- for the Financial Year 2025-26, subject to approval of shareholders at the ensuing 40th Annual General Meeting (AGM) of the Company.

As you are aware, as per the provisions of the Income-tax Act, 2025 (as amended by Finance Act, 2026) ('the Act') and the Rules framed thereunder, dividend paid or distributed by a company shall be taxable at the hands of the Shareholders. Accordingly, the Company is required to deduct tax at source from dividend paid to the Shareholders.

This communication provides a gist of the applicable provisions of the Act relating to Tax Deduction at Source ('TDS') on dividend.

Resident Shareholder:

It may be noted that tax would not be deducted on payment of dividend to Resident individual Shareholder, if total dividend to be paid in a financial year does not exceed Rs. 10,000/-. Where the dividend payable exceeds Rs. 10,000/- for tax year 2026-2027, please refer to the table below for the details:

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%	Update/Verify the PAN, and the residential status as per Income Tax Act, 2025 ("Act") if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – MUFG Intime India Private Limited (formerly Link Intime India Private Limited) (in case of shares held in physical mode) by clicking on the following link https://web.in.mpms.mufg.com/EmailReg/Email_Register.html.

Submitting Form 121	NIL	Declaration in **Form No. 121** (applicable to any person other than a company or a firm) / Form 121(also applicable to an Individual who is 60 years and older), fulfilling certain conditions. The Link to obtain the declaration form is given herein below.
Submitting Order under Section 395(1) of the Income Tax Act, 2025	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.
An Insurance Company as specified under Sec 393(1) (Table Sl. No. 7) of the Income Tax Act,2025)	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested PAN.
(a)Mutual Fund specified under Schedule VII (Table: Sl. No. 20 or 21) read with section 11 of the Income Tax Act, 2025.	NIL	Self-declaration that they are specified in Schedule VII (Table: Sl. No. 20 or 21) read with section 11of the Income Tax Act, 2025 along with self-attested copy of PAN card and registration certificate.
(b)Alternative Investment Fund (AIF) established in India		Self-declaration that their income is exempt under Schedule V (Table: Sl. No. 1) read with section 11 of the Income Tax Act, 2025 and they are established as Category I or Category II AIF under the SEBI Regulations, along with self-attested copy of PAN CARD and registration certificate.

Non-Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign	20% (plus applicable surcharge and cess)	• Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agent ("RTA"), as the case may be.

Portfolio Investors (FPIs)		• Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route. • Self-attested copy of SEBI Registration certificate
Other Non-resident Shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower)	Update/Verify the PAN and the residential status as per Income Tax Act, 2025, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – MUFG Intime India Private Limited (in case of shares held in physical mode) by clicking on the following link https://web.in.mpms.mufg.com/EmailReg/Email_Register.html. In order to apply the Tax Treaty rate, all the following documents would be required: 1) Copy of Indian Tax Identification number (PAN), if available. 2) Valid Tax Residency Certificate (TRC) (tax year April 01,2026 to March 31,2027) obtained from the tax authorities of the country of which the Shareholder is a resident. 3) Digital Form 41 filed on Income-tax portal covering period 01st April 2026 to 31st March 2027. Shareholder can filed digital 10F online at the link http://eportal.incometax.gov.in/ 4) Self-declaration from Non-resident (tax year April 01,2026 to March 31,2027), 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 and – Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. – In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). (The Link to obtain the declaration form is given herein below)
Submitting Order u/s 395(1) (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

** Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident Shareholder.

Lower withholding as per Certificate under Section 395:

Members should submit declarations in prescribed forms to avail the benefit of non-deduction of tax at source by uploading the aforesaid documents as applicable, on the following link https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html on or before September 4, 2026 to enable the Company to determine the appropriate TDS rates.

No communication on the tax determination/deduction received post September 4, 2026 shall be considered for payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

Kindly note that the aforementioned documents are required to be submitted to our Registrars & Transfer Agents, MUGF Intime India Private Limited at its dedicated link mentioned below - https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html on or before September 4, 2026, 5:00 p.m. Indian Standard Time (IST) in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax determination/deduction shall be entertained post September 4, 2026, 5:00 p.m. (IST). It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:

As per Section 262 of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 397(2) of the Act.

The company will be using the functionality of the Income-tax department for the above purpose. Shareholders may visit https://www.incometax.gov.in/iec/foportal/ for FAQ issued by Government on PAN Aadhar linking.

Declaration under Rule 203:

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 file declaration with Company in the manner prescribed in the Rules.

For shareholders having multiple accounts under different status / category:

Shareholders holding Ordinary shares 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 held under a PAN will be considered on their entire holding in different accounts.

THE AFOREMENTIONED DETAILS/DOCUMENTS SUBMITTED THROUGH ABOVE LINK SHALL ONLY BE CONSIDERED. THE E-MAIL COMMUNICATION IN THIS REGARD SHALL NOT BE CONSIDERED.

If the tax on said dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents on or before September 4, 2026, the Shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

No claim shall lie against the Company for such taxes deducted.

Company upon the request of shareholder shall arrange to provide a soft copy of the TDS certificate at the Shareholder's registered email ID, post payment of the said Dividend, if approved by the Board of Directors and the once the TDS Certificate is generated from the Authority. Shareholders will also be able to see the credit of TDS in Form 168, wherever PAN is available which can be downloaded from their e-filing account at https://www.incometax.gov.in.

UPDATION OF BANK ACCOUNT DETAILS:
In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their 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.

Shareholders holding shares in physical folios are requested to note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

We seek your cooperation in this regard.

Thanking You,
With warm regards,

Krishna Agrawal
Company Secretary & Compliance Officer
DONEAR INDUSTRIES LIMITED

ENCL:

download Form 121: Click here.
download Self declaration: Click here.
download Non-resident Declaration: Click here.
download TDS Declaration Format Under Rule 203: Click here.
download Appendix A for Rule 203

Disclaimer: This communication shall not be treated as an advice from Donear Industries limited or its affiliates or its Registrar & Transfer Agent.

Note: This is a system generated Email. Please do not reply to this Email.