

IMPORTANT INFORMATION FOR SHAREHOLDERS-TDS ON DIVIDEND**Communication in respect of Deduction of Tax at Source (TDS) on Final Dividend payment for the Financial Year 2025-26.**

Please be informed that the Board of Directors of your Company at its meeting held on 25th May 2026 has recommended final dividend of Rs. 2.50/- (25%) per Equity Share of Rs.10/- each fully paid-up for the financial year 2025-26, subject to the approval of Shareholders of the Company at the ensuing Annual General Meeting (AGM).

The aforesaid dividend, if approved at the ensuing AGM, will be paid in Electronic mode to those Shareholders who hold equity shares of the Company, as on record date fixed for determining eligibility of Shareholders to receive such dividend. As per the Income Tax Act, 2025, dividends paid or distributed by a Company shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Final Dividend. The rate at which the dividend may be subject to withholding tax would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above-referred Final Dividend will be paid after deducting tax at source as follows:

Resident Shareholders:

It may be noted that tax would not be deducted at source on payment of dividend to resident Individual Shareholder, if total dividend amount to be paid by the company in a financial year does not exceed Rs. 10,000/-.

Further, Tax to be deducted at source (wherever applicable), would be as under:

Particulars	Applicable Rate	Documents required (if any)
Shareholders having PAN	10.00%	Update 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 Agent (in case of shares held in physical mode).
	NIL	Form 121 (erstwhile Form 15G) (applicable to any person other than a Company or a Firm)/Form 121 (erstwhile Form 15H) (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met and a self-attested copy of PAN is furnished.
Shareholders not having/furnished PAN/ Invalid PAN	20.00%	
Shareholders submitting the Order under Section 395 of the Income Tax Act, 2025	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority along with self-attested copy of PAN.

Shareholders (e.g. LIC, GIC) for whom Section 393(1) of the Act is not applicable	NIL	Declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN.
Shareholders covered under Section 393(2) of the Act (e.g. Mutual Funds, Govt.)	NIL	Certificate of registration under Schedule VII (20) (erstwhile us 10(23D)) issued by the appropriate authority, self-attested copy of PAN, documentary evidence that the person is covered under said Section 393(2) of the Act.

Resident individual Shareholders are requested to ensure that Aadhaar Number is linked with PAN, failing which, PAN shall be considered as inoperative/invalid and hence, tax at 20% shall be deducted in such cases.

Non - Resident Shareholders

As per Section 159 of the Income Tax Act, non-resident shareholder has the option of being governed by the provisions of the Double Tax Avoidance Agreement ("DTAA" or "Tax Treaty") between India and the country of tax residence of the Shareholder, if they are more beneficial to them. Please refer to the table below for details of documents to avail Tax Treaty benefits.

Particulars	Applicable Rate	Documents required (if any)
Shareholders, being Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) as per Section 393(2) OR Tax Treaty Rate (whichever is lower)	a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 2026-27. c) Form 41 filed electronically with income tax authorities. d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the nonresident shareholder.
Other Non - Resident Shareholders	20% (plus applicable surcharge and cess) as per Section 393(2) OR Tax Treaty Rate (whichever is lower)	a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident, valid for Tax year 2026-27. c) Form 41 (erstwhile Form 10F) filed electronically with income tax authorities. d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the nonresident shareholder.

Shareholders submitting the Order under Section 395 of the Income Tax Act, 2025	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.
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In case, PAN is not available, the non-resident shareholder (other than a company) shall furnish (a) name (b) email id (c) contact number (d) address in residency country (e) Tax Identification Number of the residency country.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of 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.

Duly filled and signed aforesaid documents, as applicable, should be sent to RTA of the company i.e. -KFin Technologies Limited, Selenium Tower-B, Plot No.- 31&32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Toll Free no.:1800-309-4001; E-mail: einward.ris@kfintech.com on or before 31st August 2026 to enable the Company/RTA to determine the appropriate TDS/withholding tax rate applicable.

No communication on the tax determination/deduction received after the above date shall be considered for payment of Dividend.

While deducting the withholding taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs at the earliest.

If the tax on said Dividend is deducted at a higher rate due to non-receipt of or satisfactory completeness of the afore-mentioned details/document, the shareholder may claim an appropriate credit/refund in the return of income filed with their respective tax authorities.

No claim shall lie against the Company for such taxes deducted on dividend. Shareholders will also be able to view electronic credit of TDS in Form 168 (erstwhile Form 26AS), which can be downloaded from the website of Income Tax Department.

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.

Beneficial Interest:

In terms of Rule 203 (erstwhile Rule 37BA) of 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 deductee should, on or before 31st August 2026, file declaration with Company in manner prescribed by Rules. 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(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 legal proceedings.

Updation of bank account details:

Shareholders are requested to ensure that their bank account details in their respective demat accounts/folios are updated, to enable the Company to make timely credit of dividend to their bank accounts. We seek your cooperation in this regard.

Thanking you,
Yours' faithfully

STAR PAPER MILLS LIMITED