



June 26, 2026

To,

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Scrip code: 540203

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051
NSE Symbol: SFL

Subject: Communication to Shareholders - Intimation of Tax Deduction on Dividend

Dear Sir/Madam,

Pursuant to the Income Tax Act, 2025, dividend paid and distributed by a Company is taxable in the hands of 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 formalities to be followed by the shareholders to ensure appropriate deduction of tax on the dividend, if declared at the 54th Annual General Meeting and payable during FY 2026-27.

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

Kindly take the above information on record.

Thanking you.
Yours faithfully,

For **Sheela Foam Limited**

(Md. Iquebal Ahmad)
Company Secretary and Compliance Officer

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301
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Regd. Office: 1002 to 1006 The Avenue, International Airport Road, Opp Hotel Leela Sahar,
Andheri East, Mumbai, Maharashtra, India, 400059 • Ph: Int-91-22-28265686/88/89
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CIN- L74899MH1971PLC427835

Sheela Foam Limited
CIN: L74899MH1971PLC427835

Registered office: 1002 to 1006 The Avenue, International Airport Road, Opp Hotel Leela Sahar, Andheri East, Mumbai, Maharashtra, India, 400059

Corporate Office: Plot No. 14, Sleepwell Tower, Sector 135, Noida , Uttar Pradesh - 201301

Tel: +91 120 4868400, **E-mail:** investorrelation@sheelafoam.com
Website: www.sheelafoam.com

Dear Shareholders,

Subject: Sheela Foam Ltd – Communication on Tax Deduction at Source ('TDS') on Dividend payout

The Board of Directors of the Company at its meeting held on 14th May, 2026, has recommended a final dividend of Re. 1/- (i.e. 20%) per equity share of Face value Rs. 5/- per share for the financial Year 2025-26, subject to the approval of members of the Company at the Annual General Meeting scheduled to be held on 16th July, 2026. The said dividend will be payable to those members whose names appear in the Register of Members of the Company on the record date, i.e. 09th July, 2026.

In accordance with the provisions of the Income-tax Act, 2025 ("the Act"), dividends declared and paid by the Company are taxable in the hands of its members, and the Company is required to deduct tax at source ("TDS") from dividends paid to the members at the applicable rates. The tax rates would vary depending on the residential status of the shareholder and the requisite documents registered with the Company.

No tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during Tax year ('TY') 2026-27, does not exceed Rs. 10,000/-

A. RESIDENT SHAREHOLDERS:
A.1 Tax deductible at source for Resident Shareholders

S No.	Particular	Withholding tax rate	Declaration/documents required
1	Valid PAN updated in the Company's Register of Members	10%	N.A.
2	No (not registered) / invalid PAN and no exemption sought by Shareholder	20%	N.A.
3	Availability of lower/nil tax deduction certificate issued by the Income Tax Department u/s 395(1) of the Act	The rate specified in the lower tax withholding certificate	<ul style="list-style-type: none"> • Copy of PAN card • Copy of lower tax withholding certificate

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

S No.	Particular	Declaration/documents required
1	An Individual having dividend income of more than Rs 10,000 and furnishing Form 121	<ul style="list-style-type: none"> • Copy of PAN card (refer to point iii in the Notes below) • Declaration in Form No. 121, fulfilling prescribed conditions.

2	Shareholders to whom section 393(1) 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 the Link given as Annexure-1, at the end of this communication</i>), along with adequate documentary evidence (e.g., registration certificate), to the effect that no tax withholding is required as per provisions of section 393(1) of the Act.
3	Shareholder covered u/s 393(5) of the Act such as Government, RBI, Mutual Funds specified under Schedule VII to Section 11 of the Act, corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download the Link given as Annexure-1, at the end of this communication</i>), along with adequate documentary evidence, substantiating the applicability of 393(5) 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 the Link given as Annexure-1, at the end of this communication</i>) that AIF's income is exempt under Schedule V to Section 11 of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with a copy of the registration certificate.
5	Any other entity is exempt from withholding tax under the provisions of section 393(6) of the Act	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (<i>Please download the Link given as Annexure-1 & 2, at the end of this communication</i>) along with adequate documentary evidence, substantiating the nature of the entity • Copy of the lower tax withholding certificate

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders.

S No.	Category	Withholding tax 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 Link given as Annexure-3, at the end of this communication</i>). • Copy of Tax Residency certificate issued by the revenue authority of the country of residence of the shareholder for the Tax Year 2026-27 (covering the period from April 1, 2026 to March 31, 2027) • Shareholders need to mandatorily provide digital Form 41 covering the period from April 1, 2026 to March 31, 2027
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 (if available) • Self-declaration (<i>Please download the Link given as Annexure-4, at the end of this communication</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	To avail beneficial rate of tax treaty, the following tax documents would be required: <ul style="list-style-type: none"> • Copy of PAN card (if available) • Copy of Tax Residency certificate issued by revenue authority of the country of residence of shareholder for the Tax Year 2026-27 (covering the period from April 1, 2026 to March 31, 2027) • Shareholders need to mandatorily provide digital Form 41 covering the period from April 1, 2026 to March 31, 2027 • Self-declaration for non-existence of permanent establishment / fixed base/business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] <i>(Please download the Link given as Annexure-3, at the end of this communication)</i> • In case of a shareholder being a 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).
	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 176(1) of the Act	30%	NA
4	Sovereign Wealth funds and Pension funds notified by Central Government specified under Schedule V to Section 11 of the Act	NIL	<ul style="list-style-type: none"> • Copy of the notification issued by CBDT substantiating the applicability of Schedule V (Table Sl. No. 7) of the Act issued by the Government of India. • Self-Declaration <i>(Please download the Link given as Annexure-5 & 6, at the end of this communication)</i> that the conditions specified under Schedule V to Section 11 have been complied with
5	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed specified under Schedule V to Section 11 of the Act	NIL	Self-Declaration <i>(Please download the Link given as Annexure-7, at the end of this communication)</i> , substantiating the fulfilment of conditions specified under Schedule V to Section 11 of the Act
6	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act	Rate specified in the Lower tax withholding certificate	Copy of the lower tax withholding certificate

#In case PAN is not updated with the Company's RTA or depository or PAN is not available and information sought in the declaration is not provided, a higher rate of withholding tax as per section 397(2) shall be applied.

Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right not to consider the tax rate prescribed under the tax treaty

Notes:

The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) i.e. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), C 101, Embassy 247, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.

Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/foportal/> (refer to Form 168).

The aforesaid documents such as Form 121, documents under section 393(5), 393(6), FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html> On or before **03rd July, 2026** to enable the Company to determine the appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. Any communication in relation to tax rate determination/deduction received post **03rd July, 2026** shall not be considered.

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 to 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.

Clearing member should ensure that as on the record date, no shares are lying in their account and shares are transferred to the respective shareholder's account so that the dividend is credited directly to the shareholder's account and not to the clearing member's account.

A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the shareholder in accordance with Rule 203 of the Income-tax Rules, 2026. 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 and the said documents can be uploaded on the link <https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html> on or before **03rd July, 2026**.

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.

If withholding tax is deducted at a higher rate, the shareholder still has the option to file the return of income and claim an appropriate refund. No claim shall lie against the Company for any taxes deducted by the Company. Shareholders should consult their tax advisors for the requisite action to be taken by them.

The documents furnished by the shareholders (such as Form 121, TRC, Form 41, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.

All communication/queries in respect of above should be addressed to our RTA, MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) at its email address investor.helpdesk@in.mpms.mufg.com

To view / download Form 121 [click here](#)

To view / download Declaration Format under Rule 203 [click here](#)

To view / download Annexure1 [click here](#)

To view / download Annexure2 [click here](#)

To view / download Annexure3 [click here](#)

To view / download Annexure4 [click here](#)

To view / download Annexure5 [click here](#)

To view / download Annexure6 [click here](#)

To view / download Annexure7 [click here](#)

Thanking you,

Yours faithfully,

For Sheela Foam Limited

Sd/-

Md. Iquebal Ahmad

Company Secretary

Note: Please don't reply to this email, as this email id is not monitored