STERLING TOOLS LIMITED
CIN: L29222DL1979PLC009668
WORKS: 5-A, DLF Industrial Estate
Faridabad – 121 003 Haryana India
Tel: 91-129-227 0621 to 25/225 5551 to 53
Fax: 91-129-227 7359
E-mail: sterling@stlfasteners.com
Website: stlfasteners.com

Through NEAPS	**By Listing Centre**
National Stock Exchange of India Limited "Exchange Plaza", C-1 Bandra–Kurla Complex, Bandra (East) Mumbai-400051	**BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400001
Trading Symbol: STERTOOLS	**Scrip Code: 530759**

Date: 11th August, 2026

Subject: Intimation of Deduction of tax at source on dividend- E-mail Communication to Shareholders

Dear Sir/Madam,

Pursuant to the Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith e-mail communication, which has been sent to all the Shareholders whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent/ Depositories, indicating the process and documentation required for claiming tax exemption/withholding tax, at applicable rates, if any, on the proposed Dividend to be paid, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The copy of this intimation is also being disseminated on Company's website at https://stlfasteners.com/investors.

This is for your information and record purpose.

Thanking You,

Yours truly,
For **STERLING TOOLS LIMITED**

Pragya Saxena
Digitally signed by Pragya Saxena
Date: 2026.08.11 15:11:50 +05'30'

Pragya Saxena
Company Secretary & Compliance Officer
M No. F9640

Encl.: As Above.

STERLING TOOLS LIMITED

CIN: L29222DL1979PLC009668
Regd. Office: DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025
Corporate Office: Plot No. 4, D L F Industrial Estate, Faridabad-121003
E-mail: csec@stlfasteners.com, **Website:** www.stlfasteners.com
Tel: 91 129 2270621-25

THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Ref: Folio / DP Id & Client Id No:

Name of the shareholder:

Dear shareholder,

Subject: Deduction of tax at source on dividend

We hope that you and your family are safe and healthy.

We wish to inform you that the Board of Directors of Sterling Tools Limited ("the Company"), at its meeting held on 15th May, 2026, has recommended a dividend of Rs. 2.75/- per equity share of the face value of Rs. 2/- each for the financial year ended 31st March, 2026, subject to the approval of shareholders of the Company at its ensuing Annual General Meeting ("**AGM**").

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting to be held in 2026 will be paid in electronic form to the shareholders holding Equity shares on the Company as on the record date, i.e. 28th August, 2026.

In terms of the provisions of the Income-tax Act, 2025, (the Act"), dividend paid or distributed by a Company would be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided below:

<u>For Resident Shareholders</u>

Tax will be deducted at source ("TDS") under section 393(1) [Table: S.No.7] read with section 393(4) [Table Sr. no. 10] of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed/paid to them by the Company during a financial year does not exceed Rs.10,000/-.

Tax will not be deducted at source in cases where a shareholder provides Form 121, provided that the eligibility conditions are satisfied. Blank Form 121 can be downloaded from the link given at the end of this communication. Also, FAQ's related to Form 121 can also be downloaded from the below given link.

Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if they do not fulfil the requirement of the law.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (refer format) as listed below:

i) **Insurance companies:** Declaration that no tax is deductible as per provisions of 393(4) [Table: S.No.10] of the Act along with self-attested copy of registration certificate and PAN card;
ii) **Mutual Funds**: Declaration by Mutual Fund shareholder eligible for exemption under Schedule VII (Table: Sl. No. 20 or 21) of section 11 of the Act, along with self-attested copy of registration documents and PAN card;
iii) **Alternative Investment Fund (AIF) established in India**: Declaration that the shareholder is eligible for exemption under Schedule V [Table: Sl. No. 1] of section 11 of the Act and they are established as Category I or Category II AIF under the SEBI regulations, along with copy of self-attested registration documents and PAN card;
iv) **New Pension System Trust**: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;
v) **Other shareholders**: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;
vi) Shareholders who have provided a valid certificate issued under section 395(1) of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

For Non-Resident Shareholders

Tax is required to be withheld in accordance with the provisions of Section 393(2) [Table Sl. No 17] read with section 207(1) [Table Sl. No. 1] of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 159 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the Double Tax Avoidance Agreement (DTAA) benefits, the non-resident shareholder will have to provide the following:

i) Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;

ii) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;

iii) Electronically generated Form - 41 from income tax portal;

iv) Self-declaration (refer format) by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement

v) In case of Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;

vi) In case of shareholder being tax resident of Singapore, along with the above (as may be applicable), please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

The self-declarations referred to in point no. (iv) can be downloaded from the link given at the end of this communication.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable DTAA. It must be ensured that self-declaration should be addressed to Sterling Tools Limited and should be in the same format as given. In the absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividends. Form 41 in digital format is mandatory for non-resident shareholders having PAN in India or who are required to obtain PAN in India. Form 41 in any other format will not be considered for benefit under DTAA.

Higher rate of TDS

In case, an individual shareholder who does not have PAN / has an Invalid PAN/ whose PAN is not linked with Aadhar / not registered their valid PAN details in their account, tax at the rate of 20% shall be deducted under Section 397(2) of the Act.

To summarise, dividend will be paid after deducting the tax at source as under:

i) NIL for resident shareholders receiving dividend upto Rs. 10,000/- or in case Form 121 along with self-attested copy of the PAN card is submitted.

ii) 10% for other resident shareholders in case copy of PAN card is provided / available.

iii) 20% for resident shareholders if copy of PAN card is not provided / not available/not linked with Aadhar.

iv) Tax will be assessed on the basis of documents submitted by the non-resident shareholders.

v) 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.

vi) Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under section 395(1) of the Act.

In terms of Rule 203 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 such deductee should file declaration with Company in the manner prescribed by the Rules. Any declaration sent after the cut-off date i.e., Friday 28th August, 2026 shall not be accepted by the company.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

Link to upload Tax exemption Forms

Kindly note that the aforementioned documents can be uploaded on or before 28th August, 2026 with Mas Services Limited, the Registrar and Share Transfer Agent at https://masserv.com/investortax/investor25-26.asp. Resident Individual Shareholders holding shares in dematerialized form may alternatively submit Form No. 121 through the NSDL/CDSL Tax Service Platform.

Updation of PAN, email address and other details

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants.

Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent Mas Services Limited. The Company is obligated to deduct TDS based on the records available with RTA and no request will be entertained for revision of TDS return.

Updation of Bank account details:

The Securities and Exchange Board of India has vide Notification No. SEBI/LADNRO/GN/2025/273 dated November 18, 2025, omitted first and second proviso of Regulation 12 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective November 19, 2025. In view of the above, henceforth, all the payments to Members with respect to Dividends shall be made in electronic mode only and no 'payable at par' warrants or cheques or drafts shall be issued towards dividend payouts.

Shareholders holding shares in demat mode are requested to update with their respective depository participants, their correct core banking account number, including 9-digit MICR Code and 11-digit IFSC Code.

Shareholders holding shares in physical form may communicate such details to the RTA of the Company.

Failure to update the bank details shall result in non-payment of Dividend.

Further, Member(s) holding shares in physical form whose folio(s) do not have PAN or Contact details or Mobile Number or Bank account details or Specimen Signature updated, shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the aforesaid details in entirety. Such Members are eligible for any payment of dividend only through electronic mode. Accordingly, Members are requested to update the said details with the RTA of the Company.

Address for correspondence with RTA of the Company:
MAS Services Limited
Unit : Sterling Tools Limited
T-34, IInd Floor, Okhla Industrial Area
Phase-II, New Delhi- 110020
Tel: +91 011 26387281-83,
E-mail: investor@masserv.com

We seek your co-operation in the matter.

Yours sincerely,

For Sterling Tools Limited

Sd/-
Pragya Saxena
Company Secretary

Click here to download – Form 121
Click here to download– FAQ's on Form 121
Click here to download – self declaration (non-resident shareholder)
Click here to download – FAQ's on Form 41

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.