FIVE STAR
Business Finance Limited

Date: July 25, 2026

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051.

BSE Limited
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai - 400 001

Symbol: FIVESTAR

Dear Sir/ Madam

Sub: Communication to Shareholders - Intimation on Tax Deduction at Source (TDS) /withholding tax on Dividend.

Pursuant to the recommendation of Final Dividend by the Board of Directors of the Company at its Meeting held on Tuesday, April 28, 2026 the Company has sent email communication on tax deductible at source (TDS)/withholding tax to the shareholders, whose email addresses are registered with the Company/ Depository Participant. Please find enclosed herewith the email communication which has been sent to the shareholders indicating the process and documentation required for claiming tax exemption/withholding tax on the dividends payable to the shareholders Further, the aforesaid information is also available on the Company's website at www.fivestargroup.in.

We request you to kindly take the same on record.

Thank you,

Yours Faithfully,

For Five-Star Business Finance Limited

Vigneshkumar S M
Digitally signed by Vigneshkumar S M
Date: 2026.07.25 20:37:14 +05'30'

Vigneshkumar SM
Company Secretary & Compliance Officer

FIVE-STAR BUSINESS FINANCE LIMITED
Regd. Office: New No.27, Old No.4, Taylor's Road, Kilpauk,
Chennai - 600010; Phone: 044 4610 6200
CIN: L65991TN1984PLC010844
Website: www.fivestargroup.in Email ID: secretary@fivestargroup.in

Date: 25th July 2026

Dear Shareholder(s),

Subject: Tax Deducted at Source (TDS) on Final Dividend

We hope this e-mail finds you safe and in good health

We are pleased to inform you that the Board of Directors of Five-Star Business Finance Limited ("Company"), at its Meeting held on April 28, 2026, has recommended a final dividend of Rs. 2.00/- (Indian Rupees Two only) per equity share of face value of Rs. 1/- for the financial year 2025-26.

The Annual General meeting of the Company is scheduled to be held on **Monday, August 31, 2026**

The Members holding shares as of the record date fixed for determining the eligibility of Members for payment of dividend is Friday, July 31, 2026 and the final dividend would be paid to the eligible Members on or before September 29, 2026, if approved.

Pursuant to the provisions of the Income-tax Act, 2025 ("the Act"), as amended by the Finance Act, 2026, dividend income will be taxable at the hands of Shareholders (w.e.f. 1st April, 2020). For the prescribed rates for various categories, the Shareholders are requested to refer to the Income-tax Act, 2025 and amendments thereof.

We are attaching herewith the general information with regard to the Tax Deducted at Source as **Annexure-A**, for your kind reference.

All the shareholders are requested to update their records such as tax residential status, Permanent Account Number (PAN), bank account details and register your email address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialized form and if you are holding shares in physical mode, you are requested to furnish details to the Company's Registrar and Share Transfer Agent ("RTA"), i.e. KFin Technologies Limited.

Annexure A

<u>General information regarding the Tax Deducted at Source</u>

I. FOR RESIDENT SHAREHOLDERS

a. The summary of applicable rates of TDS for resident shareholders are given below:

<table>
<tr><th>Sl. No.</th><th>Category of shareholder</th><th>Rate of deduction (%)</th></tr>
<tr><td>1.</td><td>Resident Individuals</td><td>• Exempt where the total dividend for the year does not exceed INR 10,000
• In other cases, 10% shall apply</td></tr>
<tr><td>2.</td><td>Alternative Investment Fund</td><td>• Category I or a Category II AIF - Exempted
• Category III AIF - 10%</td></tr>
<tr><td>3.</td><td>Mutual Funds</td><td rowspan="3">Exempt, subject to submission of valid documents as per the Act.</td></tr>
<tr><td>4.</td><td>Insurance Companies</td></tr>
<tr><td>5.</td><td>Government (Central/State)</td></tr>
<tr><td>6.</td><td>Others</td><td>10%</td></tr>
</table>

b. Tax is required to be deducted at source under Section 393 of the Act, at the rate of 10% on the amount of dividend payable where shareholders have registered their valid PAN. In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% (plus applicable surcharge and cess) shall be deducted as per Section 397(2) of the Act.

c. Where PAN is not linked with Aadhaar, PAN will be treated as inoperative, and TDS will be deducted @ 20%.

d. No tax shall be deducted on the dividend payable to resident individuals if -

- Total dividend amount to be received by them during the Financial Year does not exceed Rs. 10,000/; or
- The shareholder provides a written declaration in prescribed Form 121, provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law; Click here to download Form 121; or

- Exemption certificate is issued by the Income-tax Department, if any.

II. Resident non-individuals:

No tax shall be deducted on the dividend payable to the following resident non- individuals where they provide details and documents as below:

a. **Mutual Funds**- No TDS is required to be deducted as per Section 393(5) of the Act, provided a self-declaration along with self-attested copy of the PAN and SEBI registration certificate is submitted to the Company.

b. **Insurance Companies -** Declaration that they have full beneficial interest with respect to the shares owned by them along with self-attested PAN and valid IRDAI registration certificate.

c. **Category I and II Alternative Investment Fund** - Self-declaration that their income is exempt under Schedule V (Sl No 1) of Income Tax Act, 2025 and they are governed as Category I or Category II AIF under SEBI regulations along with a self-attested copy of the PAN card and registration certificate.

d. **Government (Central/State)**- No tax is required to be deducted at source on dividend payable to the Government of India, the Reserve Bank of India (RBI), or a corporation established under a Central Act which is specifically exempt from income-tax, as per the exemption provisions under the Income-tax Act (corresponding to Section 393(5) of the Income-tax Act, 2025), subject to submission of a valid self-declaration along with self-attested copies of relevant documentary evidence in support of the claim.

e. **Any other entity entitled to exemption from TDS** - Valid self-attested documentary evidence in support of the entity being entitled to TDS exemption along with a self-attested copy of PAN card should be submitted to the Company.

Investors can download the self-declaration format in the link given below: Click here to download

In case, event that a shareholder (individual or non-individual) obtains a certificate under Section 395 of the Income-tax Act, 2025 for deduction of tax at a lower rate, the Company shall deduct tax at the rate specified in such certificate. A self-attested copy of the valid certificate must be submitted.

III. FOR NON-RESIDENT SHAREHOLDERS

The applicable rate of TDS for non-resident shareholders are given below:

a. TDS will be @ 20% (plus applicable surcharge & cess) or at the Tax Treaty Rates, whichever is lower, on the amount of the dividend payable to the Non-Resident Shareholders

b. Further, Taxes are required to be withheld in accordance with the provisions of Section 393 of the Income tax Act, 2025 at the applicable rates in force. As per the relevant provisions of Section 393 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of FII/FPIs, the withholding tax shall be as per the rates specified in Section 393 (2) of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them. However, as per Section 159 of the Income tax Act, the 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 them. For this purpose, i.e. to avail the Tax Treaty benefits, the non- resident shareholder will have to provide the following:

- In case of FPI / FII, copy of SEBI registration certificate;
- Self-attested true copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2025-26;
- Self declaration in Form 41 (Click here for Form 41 user manual)
- Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- Self-declaration in the format given below, certifying the following points: Click here to download self-declaration
- Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2025-26;
- Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
- Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- Shareholder does not have a taxable presence or a Permanent Establishment (PE) in India during the Financial Year 2025-26. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
- Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- Self-declaration by the shareholder regarding the satisfaction of the Place of Effective Management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.
- 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 DTAA.

Please note that 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 the non- Resident shareholder.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on dividend payment to such shareholder.

The last date for receipt of filled in forms will be on or before Monday, August 10, 2026 by 11.59 p.m. (Cut-Off date). (IST) No communication on the tax determination/deduction shall be entertained after the aforesaid date.

Shareholders are requested to upload tax exemption declaration on below weblink only: https://ris.kfintech.com/clientservices/investors/taxforms.aspx

In case shareholder does not submit documents or the documents submitted are not satisfactory on or before cut-off date given, the Company would deduct tax at applicable rates. If the tax is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details / documents by company, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities/

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
2. 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.
3. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being submitted by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
4. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.
5. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be 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 appellate proceedings.
6. Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, Permanent Account Number (PAN), registered

email addresses, mobile numbers, bank account details and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to contact the Company's registrar and share transfer agent KFin Technologies Limited at einward.ris@kfintech.com for updating the above-mentioned details. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

7. Incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

8. **The Securities and Exchange Board of India (SEBI) vide its Master Circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026 for Registrars to an Issue and Share Transfer Agents mandates that payment of dividend to the Members holding shares in physical mode shall only be made electronically and such payment shall be made only after the Members have furnished their PAN, contact details (postal address, mobile number and email), bank account details, specimen signature etc. for their corresponding physical folios with the Company / the RTA.**

MEMBERS MAY KINDLY NOTE THAT THE INFORMATION SET OUT HEREINABOVE 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 MEMBERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO SPECIFIC TAX IMPLICATIONS ARISING OUT OF RECEIPT OF DIVIDEND.

In case of any queries, you may write to us at einward.ris@kfintech.com

We request your cooperation in this regard.

For Five-Star Business Finance Limited

Sd/-

Vigneshkumar SM
Company Secretary