



GHCL Textiles Limited

(CIN: L18101GJ2020PLC114004)

Registered Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009
(Gujarat)

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Date: 24/05/2024

Folio Number / DP ID & Client ID: XXXXXXXXXXXXX7867

Name: Darayus Maneck Dhala

Sub: Deduction of Tax at Source (“TDS”) on the amount of Dividend income from GHCL Textiles Limited (“the Company”)

Dear Shareholder,

We are delighted to inform you that the Board of Directors, at its meeting held on May 6, 2024, has recommended a Dividend of Rs. 0.50 (Fifty paisa) per equity share of Rs. 2/- each, amounting to 25% on the paid-up equity capital for FY 2023-24. This recommendation is subject to the approval of shareholders in the forthcoming Annual General Meeting scheduled to be held on July 8, 2024. The dividend will be payable to those shareholders whose names appear in the Register of Members of the Company as on July 1, 2024 (Record Date).

We would like to draw your attention to the fact that, as per the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, are taxable in the hands of the Shareholders. Therefore, your Company is required to deduct tax at source at the time of making the payment of the said Dividend, as per the following tax categories:

1. For Resident Shareholders:

- Taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961, at 10% on the dividend amount if you have provided your Permanent Account Number (PAN).
- If no PAN is provided or PAN is invalid or individual shareholder is specified person as per section 206AB of the Income Tax Act, 1961, tax shall be deducted at source at 20%.
- However, please note that no tax shall be deducted on the dividend payable to a resident shareholder who is an individual if the aggregate total dividend to be received by that resident individual during Financial Year 2024-25 does not exceed Rs. 5,000.

- In cases where the shareholder provides duly filled Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an Individual who is 60 years of age or above) for FY 2024-25, complete in all aspects and meeting all the required eligibility conditions, no taxes will be deducted at source. Please note that a Permanent Account Number (PAN) is mandatory for providing 15G/15H forms.

2. For Foreign Portfolio Investor (FPI)/(FII) Shareholders:

- The Taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961, at 20% on the dividend amount payable.
- The Taxes may be deducted as per the beneficial rate of the relevant Double Tax Avoidance Agreement (Treaty) between India and the country of tax residence of the FPI/FII, as per Section 90(2) of the Income Tax Act, 1961, subject to any conditions mentioned in the SEBI Registration Certificate as FII/FPI and related documents prescribed from Serial number 1 to 4 under the Para "For Other Non-Resident Shareholders" mentioned below.

3. For other Non-resident Shareholders:

Taxes are required to be deducted in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. Accordingly, as per the current provisions, tax shall be deducted at the rate of 20% on the dividend amount payable.

However, as per section 90(2) of the Income Tax Act, 1961, the non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (Tax Treaty) between India and the country of tax residence of the shareholders, if they are more beneficial to them. Hence, for availing a lower rate of deduction of tax at source under an applicable Tax Treaty, non-resident shareholders need to provide the following:

- Self-attested copy of the PAN, if allotted by the Indian Income Tax authorities.
- Self-attested copy of the Tax Residency Certificate (TRC) obtained from the tax authorities of the shareholder's resident country for FY 2024-25. If the TRC is furnished in a language other than English, it should be translated to English, duly notarized and apostilled.
- Self-declaration in Form 10F for FY 2024-25, if the details required in this form are not mentioned in the TRC. (In pursuance of Notification no. 03/2022 dated 16th July 2022, non-resident shareholders are required to furnish Form 10F electronically on income tax portal with their login credentials at eportal.incometax.gov.in)
- Self-declaration by the non-resident shareholder for FY 2024-25 (Refer Self Declaration Annexure 1 attached).

4. For Other Category Shareholders:

- This category includes Mutual Funds, Insurance Companies, Alternate Investment Fund (AIF) Category I and II, Government (Central/State Government), etc. Self-Declaration as per Annexure 2 is to be provided.

To determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we kindly request you to provide the above-mentioned details and documents applicable to you on or before July 1, 2024. The dividend will be paid after deducting tax at source, as determined based on the documents provided by the respective shareholders and found satisfactory.

For the purpose of understanding, the rate at which taxes are to be deducted at source based on the category of shareholders are mentioned hereunder:

Shareholder Category	Rate of TDS
Resident Shareholders	
(i) Shareholders providing Form 15G/15H	NIL
(ii) Resident Shareholder who is an Individual having Dividend income up to Rs. 5,000/-	NIL
(iii) Resident Shareholders other than (i) and (ii) above	<ul style="list-style-type: none">• 10% in case where PAN is provided / available• 20%, in other cases where PAN is not provided / not available / invalid PAN / shareholder is specified person as per section 206AB of the Income Tax Act, 1961
Non – resident shareholders	
Other Non-resident Shareholders (Including investments made under FPI/FII route): Treaty benefit/ requirement of related document for FPI/FII may be subject to the condition prescribed under section 196D of the Income Tax Act, 1961.	20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

Note:

1. Please note that all the tax rates mentioned above shall be duly enhanced by the applicable surcharge and cess.
2. Kindly be aware that the aforementioned documents need to be submitted to our Registrars & Transfer Agents, Link Intime India Private Limited, through their dedicated

link provided below, **on or before June 28, 2024, 11:00 a.m. Indian Standard Time (IST)**. This submission is necessary for the Company to determine and deduct the appropriate TDS/withholding tax rate. Please visit the following link: [Link Intime India Pvt Ltd - Tax Exemption](#).

Any communication regarding the tax determination or deduction in relation to the dividend will not be entertained after June 28, 2024, 11:00 a.m. (IST). In the event that the tax on the dividend is deducted at a higher rate due to the absence of the aforementioned details/documents from you, you still have the option to file a return of income with the Tax Authorities and claim an appropriate refund, if eligible.

For all communications or queries regarding this matter, please address and send them to our RTA, Link Intime India Private Limited, at their email address: rnt.helpdesk@linkintime.co.in.

Please find the required forms and annexures attached below:

- To view / download Form 10F [Click here](#).
- To view / download Form 15G [Click here](#).
- To view / download Form 15H [Click here](#).
- To view / download Self-Declaration Annexure-1 [Click here](#).
- To view / download Declaration about category Annexure-2 [Click here](#).

Disclaimer: This communication should not be regarded as advice from the Company, its affiliates, or Link Intime India Private Limited. Shareholders are advised to seek tax advice concerning their specific tax matters from a qualified tax professional.

We request your cooperation in this regard.

For GHCL Textiles Limited

Lalit Narayan Dwivedi
Company Secretary

[Note: Please do not reply to this email as this is not monitored]