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From: ghcltextiles.update@in.mpms.mufig.com <ghcltextiles.update@in.mpms.mufig.com>
Sent: 20 May 2026 17:02
To: Suraj Gupta <suraj.gupta@in.mpms.mufig.com>
Subject: Deduction of Tax at Source ("TDS") on the amount of Dividend income from GHCL Textiles Limited ("the Company")



GHCL Textiles Limited

(CIN: L18101GJ2020PLC114004)

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

Phone: 079- 26427818, 26427519

Corporate Office: GHCL House, B-38, Institutional Area, Sector-1, (UP) Phone: 0120-493990

Email: secretarial@ghcltextiles.co.in; **Website:** www.ghcltextiles.co.in

Date: 20/05/2026

Dear Shareholder,

We are delighted to inform you that the Board of Directors, at their Meeting held on Thursday, April 30, 2026, has recommended Dividend of Rs. 0.60 (Sixty Paise) per equity share of Rs. 2/- each, amounting to 30% on the paid-up equity capital for FY 2025-26. This recommendation is subject to the approval of shareholders in the forthcoming Annual General Meeting scheduled to be held on Saturday, June 27, 2026. The dividend will be payable to those shareholders whose names appear in the Register of Shareholders of the Company as on Saturday, June 20, 2026 (Record Date).

We would like to draw your attention to the fact that, as per the Income Tax Act, 2025, dividends paid or distributed by the Company are taxable in the hands of the Shareholders. Therefore, your Company is required to deduct tax at source (TDS) 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 393(1) [Table: Sr. No. 7] of the Income Tax Act, 2025, at 10% on the dividend amount if you have provided your Permanent Account Number (PAN).

❖ In following situations, tax shall be deducted at source @ 20%:

- If no PAN is provided
- If PAN is invalid,
- If PAN is inoperative (due to non-linking of PAN with Aadhar)

❖ 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 2026-27 does not exceed Rs. 10,000.

❖ In cases where the shareholder provides duly filled Form 121 (applicable to any person other than a Company or a Firm) for FY 2026-27, complete in all aspects and meeting all the required eligibility conditions, no taxes will be deducted at source. Please note that copy of PAN is mandatory for providing 121 form.

❖ In case shareholders holding shares under multiple Demat accounts under different status/category and single PAN, may note that, higher of the tax as applicable to the status on which shares held under a PAN will be considered on their entire holding in different accounts.

❖ In terms of Rule 203 of the 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 in the Rules. *Please download Annexure 1.*

❖ The following Tax Resident Shareholders should be eligible for Nil/Lower Rate of TDS upon providing the documents to the Company mentioned hereunder to the satisfaction of the Company:

Sr. No.	Particulars	Applicable Rate of TDS	Documents Required
a.	Insurance Companies	Nil	<ul style="list-style-type: none"> • Declaration (<i>Please download from the Link given as Annexure-2, at the end of this communication</i>) that it is an Insurance Company as specified under Sec 393(4) <p>[Table: Sr. No.10] of the Income Tax Act, 2025.</p> <ul style="list-style-type: none"> • Self-attested copy of certificate of registration with IRDAI • Self-attested copy of PAN card
b.	Government, Reserve Bank of India (RBI), Specified Corporations established by or under Central Act whose income is exempt from tax	Nil	<ul style="list-style-type: none"> • Declaration (<i>Please download from the Link given as Annexure-2, at the end of this communication</i>) that it is covered by section 393(5) of the Income Tax, Act read with the Circulars issued thereunder. • Self-attested copy of relevant registration documents • Self-attested copy of PAN card
c.	Mutual Funds specified under Schedule VII [Table: Sr. No. 20 and 21] of the Act	Nil	<ul style="list-style-type: none"> • Documentary evidence to prove that it is a mutual fund specified under Schedule VII [Table: Sr. No. 20 and 21] of the Act and is eligible for exemption.

			<ul style="list-style-type: none"> • <i>Self Declaration (Please download from the Link given as Annexure-2, at the end of this communication)</i> • Self-attested copy of the registration documents • Self-attested copy of PAN Card.
d.	Category - I & II Alternative Investment Funds (AIF) registered with the Securities and Exchange Board of India (SEBI)	Nil	<ul style="list-style-type: none"> • Self-declaration (<i>Please download from the Link given as Annexure-2, at the end of this communication</i>) that their income is exempt under Schedule V [Table: Sr. No. 1] to section 11 of the Act 2025 and they are established as Category I or Category II AIF under the SEBI Regulations. • Self-attested copy of SEBI AIF registration certificate. • Self-attested copy of the PAN card.
d.	Shareholders exempted from TDS provisions in terms of any provisions of the Act or CBDT Circular or notification	Nil	<ul style="list-style-type: none"> • Declaration that it is covered by CBDT circular or Notification. • Documentary evidence supporting the exemption status in terms of any provisions of the Act or CBDT Circular or notification. • Self-attested copy of PAN card.
e.	All resident shareholders	Rate specified in the low deduction certificate issued by the income tax department	Self-attested copy (certificate under section 395(1) of the Act issued in GHCL's TAN AHMG00614F)
f	Any other entity 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-2 & 3, 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 obtained from Income Tax Department

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

❖ The Taxes shall be deducted at source under Section 393(2) Sr. no. 15 of the Income Tax Act, 2025, at 20% on the dividend amount payable.

❖ Self-declaration (Please download the Link given as **Annexure-4**, at the end of this communication)

❖ 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 159(4) of the Income Tax Act, 2025, subject to any conditions mentioned in the SEBI Registration Certificate as FII/FPI and related documents prescribed from Serial number (i) to (iv) 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 393(2) [Sr. No. 17] of the Income Tax Act, 2025, at the rate in force. Accordingly, as per the current provisions, tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the dividend amount payable.

However, as per section 159(8) of the Income Tax Act, 2025, 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 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 TY 2026-27 or calendar year 2026, valid as on record date. 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 41 for TY 2026-27 executed in electronic mode from Income tax portal which can be downloaded from <https://eportal.incometax.gov.in/> (In pursuance of Notification no. 03/2022 dated 16th July 2022 issued under erstwhile law, non-resident shareholders are required to furnish Form 41 electronically on income tax portal with their login credentials at eportal.incometax.gov.in).
- ❖ Self-declaration by the non-resident shareholder for TY 2026-27 (Refer Self Declaration **Annexure 4** 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, 2025, we kindly request you to provide the above-mentioned details and documents applicable to you on or before Friday, June 12, 2026. 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 and Declaration / Documents required
Resident Shareholders	
i) Shareholders providing Form 121 along with copy of PAN mandatorily.	NIL
ii) Resident Shareholder who is an Individual having Dividend income up to Rs. 10,000/-	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/ In-Operative PAN
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 393(2) Sr. no. 15 of the Income Tax Act, 2025.	20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned.
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 176(1) of the Act	30%
Sovereign Wealth funds and Pension funds notified by Central Government specified under Schedule V to Section 11 of the Act	<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-6 & 7, at the end of this communication</i>) that the conditions specified under Schedule V to Section 11 have been complied with
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed specified under Schedule V to Section 11 of the Act	Self-Declaration (<i>Please download the Link given as Annexure-8, at the end of this communication</i>) substantiating the fulfilment of conditions specified under Schedule V to Section 11 of the Act
Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act	<ul style="list-style-type: none"> • Tax will be withheld at the rate specified in Lower tax withholding certificate obtained from Income Tax Department • Copy of the lower tax withholding certificate obtained from Income Tax Department

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, MUFG Intime India Private Limited, through their dedicated link provided below, on or before Friday, June 12, 2026, 5:00 p.m. (IST). This submission is necessary for the Company to determine and deduct the appropriate TDS/withholding tax rate. Please visit the following link: [MUFG 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 12, 2026, 5:00 p.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, MUFG Intime India Private Limited, at their email address: investor.helpdesk@in.mpms.mufig.com.

Please find the required forms and annexures attached below:

- [Annexure 1](#)
- [Annexure 2](#)
- [Annexure 3](#)
- [Annexure 4](#)
- [Annexure 5](#)
- [Annexure 6](#)
- [Annexure 7](#)
- [Annexure 8](#)

Disclaimer: This communication should not be regarded as advice from the Company, its affiliates, or MUFG 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

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