ANNEXURE II

TAXABILITY OF DIVIDENDS

Communication on Tax Deduction at Source (TDS) on Dividend Distribution

Pursuant to the provisions of the Income Tax Act, 2025 (“the IT Act”), dividend income is taxable in the hands of the Members and the Company is required to deduct the Tax at Source (“TDS”) from dividend paid to the Members at prescribed rates in the IT Act.

Please take note of the below TDS provisions and information/ document requirements for each Member:

Note 1: For all Members – Details that should be completed and / or updated, as applicable

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by **the record date, i.e., August 28, 2026**. Please note that below details as available on record date in the Register of Members/Register of Beneficial Owners will be relied upon by the Company, for complying with the applicable TDS provisions:

I. Valid Permanent Account Number (PAN);

II. Residential status as per the IT Act i.e. Resident or Non- Resident for FY 2026-27.

III. Email Address;

IV. Residential Address with PIN Code;

V. Mobile Number;

VI. Bank Account Details;

VII. Category of the Member:

- i. Mutual Fund
- ii. Insurance Company
- iii. Alternate Investment Fund (AIF) Category I and II
- iv. AIF Category III
- v. Government (Central/State Government)
- vi. Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
- vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
- viii. Individual
- ix. Hindu Undivided Family (HUF)
- x. Firm
- xi. Limited Liability Partnership (LLP)
- xii. Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person (AJP)
- xiii. Trust
- xiv. Domestic Company
- xv. Foreign Company

Following additional documents are to be submitted by the members holding shares in physical form:

- Scanned copy of cancelled cheque leaf of the above-mentioned bank account (In case, the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested); and
- Self-attested copy of PAN card.

Note 2: TDS Provisions and documents required, as applicable for relevant category of Members

Members are requested to take note of the TDS rates and documents, if any, required to be submitted to the Company by the Record Date for their respective category, to comply with the applicable TDS provisions.

- **For Resident Individuals:**

  a) TDS is required to be deducted at the rate of 10% under section 393(1) of the IT Act.

  b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the Financial Year to Individual Member does not exceed Rs. 10,000. Normal dividend/s declared in the preceding Financial Year 2026-2027 would be considered as the basis to determine applicability of the said threshold for the entire Financial Year.

c) No TDS is required to be deducted on furnishing of valid Form 121 by individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax- and by individual above the age of 60 years with no tax liability on total income.

d) TDS is required to be deducted at the rate of 20% under section 397(2) of the IT Act, if valid PAN of the member is not available. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under section 395 of the Act, if such valid certificate is provided.

e) TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar.

- **For Resident Non-Individuals:**

a) **Mutual Funds:** No TDS is required to be deducted as per section 393(5) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

b) **Insurance Companies:** No TDS is required to be deducted as per section serial no.10 of Table of 393(4) of the IT Act, subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.

c) **Category I and II Alternate Investment Fund:** No TDS is required to be deducted as per section 400 of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

d) **Recognised Provident Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under serial no. 22 of Seventh Schedule to the IT Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

e) **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under serial no. 23 of Seventh Schedule to the IT Act needs to be submitted**.**

f) **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under serial no. 24 of Seventh Schedule to the IT Act needs to be submitted.

g) **National Pension Scheme:** No TDS is required to be deducted as per Section 393(9) of the IT Act.

h) **Government (Central/State):** No TDS is required to be deducted as per Section 393(5) of the IT Act.

i) **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled for exemption from TDS needs to be submitted.

- **For Non-Resident Members:**

a) **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under section 393 of the IT Act.

b) **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

c) **Other non-resident Members:**

i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under section 393 of the IT Act for non-resident members.

ii. Member may be entitled to avail lower TDS rate as per Agreement for Avoidance of Double Taxation (DTAA) between India and the country of tax residence of the member, on furnishing the below specified documents applicable for the relevant period.

- Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 217 of the Income-Tax Rules, 2026;
- Self-attested copy of valid Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the member is a resident,
- Self-declaration in electronic Form 41' and

- Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure A to this communication).

iii. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under section 395 of the IT Act, if such valid certificate is provided.

TDS to be deducted at higher rate in case of Non-linkage of Pan with Aadhar

As per Section 262(6) of the 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 of the Act. The Company will be using online functionality of the Income-tax department for the above purpose and no claim shall lie against the Company for such tax deduction. If you have not linked your PAN with Aadhaar, kindly do so, to avoid higher tax deduction.

Details and / or documents as mentioned above in Note 1 and Note 2, as applicable to the member, need to be sent, duly completed and signed, through registered email address of the member with PAN being mentioned in the subject of the email to reach investorsrelation@gulshanindia.com by the record date. Please note that no communication in this regard, shall be accepted post the same.

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 of the documents submitted.

Note 3- Other General Information for the Members

I. For all self-attested documents, members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the Member undertakes to send the original document/s on the request by the Company.

II. In terms of Rule 203 of the Income Tax Rules, 2026, if the dividend income is assessable to tax in the hands of a person other than the registered member as on the Record Date, then the registered member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

III. TDS Deduction Certificate will be sent to the members' registered email address in due course. Shareholders will also be able to see the credit of TDS in Form 168, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal .

IV. Normal dividend/s declared in the preceding Financial Year 2025-2026 would be considered as the basis to determine applicability of the surcharge rate.

V. Health and Education Cess of 4% is applicable for non-residents.

VI. Members holding 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.

VII. In respect of the equity shares of the Company which have been transferred to the investor Education and Protection Fund ("IEPF") in accordance with Section 124(6) of the Companies Act, 2013, and the Rules framed thereunder, TDS shall be deducted based on the available details of the underlying members.

VIII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in Register of Members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

IX. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.

X. The Company may adjust for the past withholding tax on dividend paid to the members, as may be necessary.

XI. Income tax rates as per the latest Finance Act shall be used for determining the income-tax payable in respect of the total income of a person (being individual/ HUF/ AOP/ BOI/ AJP). The prescribed rates are applicable to all specified person by default.

The Company is required to declare in its TDS return, "if the deductee is opting out of this new regime u/s 202(1)". As a default option, the Company will be opting as "No" for all shareholders to whom this section applies. In case, you wish to opt out of this new regime (shift to old tax regime), please provide declaration enclosed as Annexure B. Accordingly, on receipt of declaration with complete details, the Company will update the response as "Yes" in its TDS return. Please note that no changes will be made if any declaration is received after record date.

XII. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided or to be provided by the member(s), such member(s) will be responsible to indemnify the Company and, provide the Company with all information / documents and co-operation in any appellate proceedings.

Also note that the above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

By the Order of the Board
For Gulshan Polyols Limited

Dr. Chandra Kumar Jain
Chairman & Managing Director
DIN: 00062221

Date : August 06, 2026
Place: Delhi