

February 15, 2021

To,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai — 400 001.

Scrip Code: **538598**

Security ID: **VISHAL**

Dear Sir/Madam,

Sub: Vishal Fabrics Limited: Deduction of tax at source on dividend – Shareholders Communication

In terms of the provisions of the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders.

In this regard, please find attached communication to shareholders regarding deduction of tax at source on dividend which is being sent to those shareholders whose email IDs are registered with the Company or Depositories. The communication is also available on the website of the Company viz. www.vishalfabricsltd.com.

The same is for your information and record, please.

Thanking you.

Yours faithfully,

For Vishal Fabrics Limited

Bhargav Vyas

Company Secretary

Membership No. A46392

Corporate Office :

Shanti Corporate House, Nr. Hira Rupa Hall, Bopal-Ambli Rd,
Bopal, Ahmedabad - 380058, Gujarat, India.
Ph: +91 6359701763 | 6359701796

Registered Address :

Ranipur, Narol road, Ahmedabad - 382405,
Gujarat, India.

Dear Shareholder,

Subject: Vishal Fabrics Limited - Communication on Tax Deduction on Dividend

We are pleased to inform you that the Board of Directors, in its meeting held on February 12, 2021, declared a interim dividend of Rs. 0.50/- per fully paid-up equity share of Rs. 5/- each for the financial year ending on March 31, 2021.

Pursuant to the amendments introduced by the Finance Act, 2020, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members w.e.f. April 1, 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs 5,000/-**. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A. RESIDENT SHAREHOLDERS:

A1. Tax Deductible at Source for Resident Shareholders

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
1	Valid PAN updated in the Company's Register of Members	7.5%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no. 4 of the below table with the Company / RTA of the Company

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
1	Submission of Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under Section 197A (1F) of Income Tax Act, 1961

5	<ul style="list-style-type: none"> Recognised provident funds Approved superannuation fund Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / RTA of the Company

Sr. No. (1)	Particulars (2)	Withholding Tax Rate (3)	Documents required (if any) (4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number/certificate
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received PAN Form 10F filled & duly signed Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

- To view / download Form 15G, Form 15H and Form 10F, kindly click on the General tab on <https://linkintime.co.in/client-downloads.html>
- To view / download Letter Foreign Company has no PE in India [click here](#).
- To view / download Self Declaration Form [click here](#).

- To view / download Declaration regarding Category and Beneficial Ownership of shares [click here](#)
- To view / download Self declaration owner, kindly click on the General tab on <https://linkintime.co.in/client-downloads.html>

The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with the Company / RTA post payment of the dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).

The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **February 21, 2021** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post February 21, 2021 shall not be considered.**

Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on February 22, 2021 i.e. record date for the Interim Dividend for FY 2020-21 and other documents available with the Company / RTA.

In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information 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.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

UPDATION OF BANK ACCOUNT DETAILS:

To avoid delay in receiving the dividend, Shareholders are requested to register / update their complete bank details:

- with their Depository Participant(s) with whom they maintain their demat accounts, if shares are held in dematerialized mode by submitting the requisite documents. Details in a form prescribed by your Depository Participant may also be required to be furnished.
- with the RTA of the Company if shares are held in physical mode at ahmedabad@linkintime.co.in or cs.vfl@chiripalgroup.com by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch name, folio number, IFSC, MICR details) (ii) self-attested copy of PAN card and (iii) cancelled cheque leaf.

We request your co-operation in this regard.

Yours faithfully,
For **Vishal Fabrics Limited**

Sd/-
Bhargav Vyas
Company Secretary & Compliance Officer
ACS No. A46392