



IndianOil

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447327, Email Id: investors@indianoil.in, Website: www.iocl.com

February 01, 2022

Dear Members,

Subject: Deduction of tax at source on 2nd Interim Dividend for 2021-22

We hope that you and your family are doing well and are safe and healthy.

The Board of Directors at its meeting held on January 31, 2022 has declared a second Interim dividend (hereinafter referred as 'interim dividend') of Rs. 4 /- per share for the financial year 2021-22. The Board has fixed **Thursday, February 10, 2022 as the record date** for determining entitlement of members to receive Interim dividend for the year 2021-22.

Further, in terms of the applicable provisions of the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, any dividend paid or distributed by a Company is taxable in the hands of the members. The Company shall therefore be required to deduct tax at source at the time of making the payment of the interim dividend.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident members.

1. **For resident members**, tax shall be deducted at source under Section 194 of the Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to resident individuals if –

- i. the total dividend amount to be received during the financial year 2021-22 does not exceed Rs.5,000/.

KINDLY NOTE THAT 2nd INTERIM DIVIDEND FOR 2020-21, WHICH WAS PAID IN APRIL 2021, FINAL DIVIDEND FOR 2020-21, WHICH WAS PAID IN SEPTEMBER 2021 & 1st INTERIM DIVIDEND FOR 2021-22 WHICH WAS PAID IN NOVEMBER 2021 WILL ALSO BE CONSIDERED FOR CALCULATING THRESHOLD EXEMPTION LIMIT OF RS. 5000. IN THE EVENT OF NON-DEDUCTION/SHORT DEDUCTION OF TDS FROM DIVIDEND PAID EARLIER, THE ELIGIBLE TDS WOULD BE DEDUCTED FROM THE CURRENT INTERIM DIVIDEND.

- ii. the member submits Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication.

MEMBERS WHO HAVE ALREADY SUBMITTED FORM 15G/15H FOR F.Y. 2021-22 ARE ADVISED TO REVIEW THE EARLIER DECLARATION AND SUBMIT FRESH FORM 15G/15H IF THE DIVIDEND TO BE RECEIVED DURING THE YEAR 2021-22 (i.e., 2nd INTERIM DIVIDEND 2020-21 + FINAL DIVIDEND 2020-21 + INTERIM DIVIDEND 2021-22 + 2nd INTERIM DIVIDEND 2021-22) EXCEEDS AMOUNT ALREADY DECLARED IN FORM 15G/15H.

KINDLY NOTE THAT ONLY THOSE 15G / 15H FORMS SHALL BE CONSIDERED WHICH ARE FOUND COMPLETE IN ALL RESPECTS AND NO FURTHER OPPORTUNITY FOR RESUBMISSION OF THE FORM(S) WILL BE PROVIDED.

TO AVOID ANY REJECTION ON ACCOUNT OF INCOMPLETE / WRONG INFORMATION, KINDLY REFER TO THE FILLED IN SAMPLE FORM 15G / 15H PROVIDED AT THE LINK GIVEN AT THE END OF THIS COMMUNICATION.

- iii. exemption certificate, if any, issued by the Income-tax Department.

In case of resident non-individual members, no TDS shall be deducted on submission of the following documents:

- **Insurance companies:** A declaration that they are beneficial owners of shares held, along with self-attested copy of relevant registration documents and PAN.
- **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with self-attested copy of relevant registration documents.
- **Alternative Investment Fund (AIF) established in India:** A declaration that their income is exempt under section 10(23FBA) of the Act and they are established as Category - I or Category - II AIF under the SEBI regulations along with self-attested copy of relevant registration documents and PAN.
- **Provident Fund, Superannuation Fund, Gratuity Fund, Pension Fund and ESI Fund** whose income is exempt under section 10 of the Act and on which TDS is not required to be deducted, are required to provide self-attested valid documentary evidence (like approval granted by Income Tax Officer / Commissioner, relevant copy of registration, etc.)

It may be noted that as per the provisions of section 206AA of the Act, tax shall be deducted at the rate of 20% in case defective/ invalid/ inoperative PAN is submitted by the member.

2. **For non-resident members, tax is required to be withheld in accordance with the provisions of section 195 and other applicable sections of the Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.**

However, as per section 90 of the Act, non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”), read with Multilateral Instrument (“MLI”) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident members will have to provide the following:

- i. Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income Tax Rules, 1962.

- ii. Copy of Tax Residency Certificate for financial year 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by the member.
- iii. Self-declaration in Form 10F (format provided at the link given at the end of the Communication).
- iv. Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty (format provided at the link given at the end of the Communication).
- v. Self-declaration of beneficial ownership by the non-resident member (format provided at the link given at the end of the Communication).
- vi. Any other documents as prescribed under the Act for lower withholding tax rates, if applicable, duly attested by the member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

3. Applicability of higher rate on Specified Person* as per Section 206AB in case of Resident Members and Non-Resident Members who have Permanent establishment in India for TDS under section 194 of the Act:

The rate of TDS under section 206AB of the Act shall be higher of the following:

- i. twice the rate specified in the relevant provision of the Act
- ii. twice the rate or rates in force; or
- iii. the rate of five per cent.

* **Specified Person** means a person who has not filed the returns of income for both of the two Assessment Years relevant to the two previous years which are immediately before the previous year in which aggregate of tax deducted and collected at source exceeds Rs. 50,000 in each of the two previous years.

- In this regard, the company shall assess the 'Specified Person' based on the functionality provided by the Income Tax Department for compliance check under section 206AB.
- If any Resident or Non- Resident member is falling in the category of 'Specified Person' as per the above functionality by Income Tax Department, the company shall be obliged to deduct tax at higher rate as per section 206AB of the Act (plus applicable surcharge and cess).

Kindly note that the aforementioned documents should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent ("RTA") at <https://ris.kfintech.com/form15> or emailed to einward.ris@kfintech.com, on or before Wednesday February 9, 2022.

NO COMMUNICATION/DOCUMENTS IN RESPECT OF TDS WOULD BE ACCEPTED FROM MEMBERS AFTER WEDNESDAY, FEBRUARY 9, 2022.

4. Declaration by Recipient Shareholder for transfer of TDS credit to the beneficial shareholder under Rule 37BA (2) of the Income Tax Rules, 1962

In case dividend income is assessable in the hands of person other than member then declaration needs to be provided by member for the same as per Rule 37BA of the Income Tax Rules, 1962. Member needs to confirm the (a) Residential status, (b) validity of PAN & (c) whether specified person (for purpose of section 206AB) in respect of the beneficial shareholders as a part of the declaration. Declaration may be submitted before the filing of TDS return by the company. Members may note that TDS credit will be applied only in a scenario where the beneficial shareholders in respect of cases where TDS rate applicable for the beneficial shareholder is in line with TDS rate considered for deduction in respect of the member. Further, the company would independently carry out relevant verification and would transfer TDS credit only in case the aforementioned conditions are satisfied.

As there is ample time available between deduction of tax and filing of TDS returns, members are requested to ensure submission of declarations prior to **31st March 2022**.

5. Other General Information to members:

- i. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend paid to members. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident members.
- ii. Application of TDS rate is subject to necessary due diligence and verification of the members details as available in register of Members on the Record Date and aforesaid prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will deduct tax at the maximum applicable rate.
- iii. 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.
- iv. 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 Member, such Member will be responsible to indemnify the Company against all claims, demands, penalties, losses etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.
- v. 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.

While on the subject, for updation of your personal details including PAN, bank account, email id, mobile number, you are requested to contact:

- in case of shareholding in electronic form - with your Depository Participant.
- in case of shareholding in physical form - with the RTA viz. KFin Technologies Private Limited.

For any clarification, you may contact the RTA as per details given below:

**KFin Technologies Private Limited
Unit: Indian Oil Corporation Ltd.
Selenium Tower B, Plot Nos. 31 & 32,
Financial District Nanakramguda,**

Hyderabad – 500032.

Toll Free Number: 1800 309 4001

Email: einward.ris@kfintech.com

We seek your co-operation in the matter.

Your sincerely,

For Indian Oil Corporation Ltd.

Sd/-

(Kamal Kumar Gwalani)

Company Secretary

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[Click here to download – 15H](#)

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[Click here to download – sample 15H](#)

[Click here to download – 10F](#)

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