



INDIAN OIL CORPORATION LIMITED

(CIN - L23201MH1959GOI011388)

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051
Tel: 022-26447616 ; Emil Id: investors@indianoil.in Website: www.iocl.com

22nd January 2021

Dear Shareholder,

Subject: Deduction of tax at source on dividend

We hope that you and your family are doing well and are safe and healthy. Please take care of yourselves.

We wish to inform you that the Board of Directors of your Company proposes to consider payment of interim dividend for the financial year 2020-21 at the Board meeting scheduled on 29th January 2021.

The interim dividend, if declared by the Board, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on the Record Date to be fixed by the Company for the purpose.

As you may be aware, in terms of the provisions of the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, any dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of interim dividend, if declared, as per the following:

- A) For resident shareholders:** Tax will be deducted at source ("TDS") under Section 194 read with 197(B) of the Act as per applicable TDS rate, which is currently prescribed @ 7.5% on the amount of dividend payable, for those shareholders whose PAN is available with the Company, unless exempt under any of the provisions of the Act. TDS shall be deductible @ 20% in case of shareholders having no PAN or invalid PAN. However, in case of individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during FY 2020-21 does not exceed Rs. 5,000/-.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can also be downloaded from the link given at the end of this communication or from the website of the Company viz. www.iocl.com

In order to provide exemption from withholding of tax, the following may be provided:

- **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 its 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.

- B) For non-resident shareholders:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:
- Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;
 - Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident;
 - Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
 - Self-declaration by the non-resident shareholder of having no permanent establishment in India in accordance with the applicable Tax Treaty;
 - Self-declaration of beneficial ownership by the non-resident shareholder.

The documents referred to in point nos. (iii) to (v) can be downloaded from the link given at the end of this communication or from the Company’s website viz. www.iocl.com

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 by the Company, of the documents submitted by Non-Resident shareholder.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Income Tax Act, 1961. Such TDS rate shall not be reduced on account of the application of the Lower DTAA rate, if any.

We request you to provide the above details and documents to enable us to determine the appropriate TDS / withholding tax rate applicable.

The interim dividend, if declared, would be paid after deducting the tax at source as under:

- NIL for resident individual shareholders receiving dividend upto Rs. 5,000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN is submitted.
- 7.5% for resident shareholders (including individuals) in case PAN is provided / available.

- 20% for resident shareholders (including individuals), if PAN is not provided / not available / invalid.
 - Tax will be assessed on the basis of documents submitted by the non-resident shareholders

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- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under section 197 of the Income Tax Act, 1961

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 inward.ris@kfintech.com. No communication on the tax determination / deduction shall be entertained after 5th February 2021.

In case tax on interim dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

While on the subject, to facilitate receipt of dividend directly into your bank account , you are requested to verify your bank details and if required, update the same:

- in case you are holding shares in electronic form - with your Depository Participant;
- in case you are holding shares in physical form - with the RTA viz. KFin Technologies Private Limited, Unit: Indian Oil Corporation Ltd., Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.

All future communications in this regard may kindly be addressed to:

KFin Technologies Private Limited

Unit: **Indian Oil Corporation Limited**

Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Hyderabad : 500 032

Phone No. 18003454001; Fax: (040) 23001153

Email: inward.ris@kfintech.com

Your sincerely,

For **Indian Oil Corporation Ltd.**

Sd/-

(Kamal Kumar Gwalani)

Company Secretary

[Click here to download](#) – 15H

[Click here to download](#) – 15G

[Click here to download](#) – 10F

[Click here to download](#) – self declaration

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.