



**GAIL (INDIA) LIMITED**  
**Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066**  
**{CIN: L40200DL1984GOI018976}**  
**Phone: 011-26182955, Fax: 011-26185941**

Date: 24.01.2024

Name of Shareholder

Dear Shareholder,

Subject: Intimation / Communication in respect to Deduction of Tax at Source on Dividend for Financial Year 2023-24

In accordance with the provisions of the Income Tax Act, 1961 ('the IT Act') as amended by Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders. The Company shall, therefore be required to Deduct Tax at Source ('TDS') as per the applicable rates on dividend payable to its shareholders. TDS rate would vary depending on the residential status of the shareholder, the documents submitted by the shareholders are subject to acceptance by the Company.

The applicable withholding tax rate would vary depending on the residential status, category of the shareholder and is subject to submission of requisite declarations / documents to the Company during the period specified by the Company i.e. **24<sup>th</sup> January , 2024 to 4<sup>th</sup> February, 2024**

**A. RESIDENT SHAREHOLDERS:**

A.1 Tax deductible at source from Resident Shareholders (during the FY 2023-24)

S.No.	Particulars	Rate	Documents required
1.	Valid PAN updated with the Depository Participant	10%	Shareholders can update with the Depository Participant by submitting the PAN / Email ID / Mobile Number before the record date so that TDS will be deducted at 10% (where applicable). Note - No deduction of tax would be made if the total dividend income paid to a resident individual member during F.Y. 2023-24 is less than Rs. 5,000/-
2.	No PAN / Invalid PAN/ Inoperative PAN / Specified Person u/s 206AB	20%	NA
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the IT Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"><li>• Self-attested copy of PAN card</li><li>• Copy of lower tax withholding certificate obtained from Income Tax Department</li></ul>

4.	An Individual furnishing Form 15G/ 15H	NIL	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card</li> <li>• Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form No. 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.</li> <li>• This form can be submitted only in case the shareholder's tax on estimated total income for FY 2023-24 is Nil</li> <li>• Refer <b>Annexure 1</b> for format of Form No. 15G and <b>Annexure 2</b> for format of Form No. 15H</li> </ul>
5.	Shareholders to whom section 194 of the IT Act does not apply such as LIC, GIC, Business Trust (REIT, InVIT) etc.	NIL	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card</li> <li>• Self-declaration in the format given as <b>Annexure-3</b>, along with the registration certificate substantiating applicability of section 194 of the IT Act.</li> </ul>
6.	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	NIL	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card</li> <li>• Self-declaration in the format given as <b>Annexure-3</b>, along with the registration certificate substantiating applicability of section 196 of the IT Act.</li> </ul>
7.	Category I and II Alternative Investment Fund (AIF)  Category III AIF	NIL  10%	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card</li> <li>• Self-declaration in <b>Annexure 3</b> that the person is covered by Notification No. 51/2015 dated 25<sup>th</sup> June 2015 and established as Category I or Category II AIF under the SEBI regulations along with registration certificate issued by SEBI.</li> <li>• This rate will be applicable for Category III AIF</li> </ul>
8.	Any other entity exempt from withholding tax under the provisions of section 197A of the IT Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	NIL	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card</li> <li>• Self-declaration in the format prescribed in <b>Annexure 3</b> that the person is covered under the provisions of section 197A of the IT Act (except for individual Sikkimese resident)</li> <li>• Submit declaration in <b>Annexure 4</b> in case of individual Sikkimese resident. Adequate documentary evidence, substantiating the type of the entity.</li> <li>• Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)</li> </ul>

**B. NON-RESIDENT SHAREHOLDERS:**

Tax deductible at source for non-resident shareholders during the FY 2023-24.

S No.	Category	Withholding tax rate	Declaration / documents required
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card (if available)</li> <li>• Self-declaration as per the format given in <b>Annexure-5</b>,</li> <li>• Copy of Tax Residency certificate (TRC) issued by revenue authority of country of residence of shareholder for the financial year 2023 (covering the period from April 1, 2023 to March 31, 2024)</li> <li>• Self-Declaration in Form No. 10F as per the format given in <b>Annexure-6</b>,</li> </ul> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</p>
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)#	<ul style="list-style-type: none"> <li>• Self-attested copy of PAN card (if available)</li> <li>• Self-declaration as per the format given in <b>Annexure-7</b>, along with adequate documentary evidence substantiating the nature of the entity</li> </ul>
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Self-attested copy of PAN card (if available)</li> <li>2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the Calendar Year 2023/ financial year 2023-2024 (covering the period from April 1, 2023 to March 31, 2024)</li> <li>3. Self-Declaration in Form No. 10F as per the format given in <b>Annexure-6</b></li> <li>4. Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's</li> </ol>

			letterhead] as per the format given in <b>Annexure-8</b> ,  (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India.</li> <li>• Self-Declaration as per the format given in <b>Annexure-9 &amp; 10</b>, that the conditions specified in section 10(23FE) have been duly complied with</li> </ul>
6	Wholly owned Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act	NIL	Self-Declaration as per the format given in <b>Annexure-11</b> , substantiating the fulfilment of conditions prescribed under section 10(23FE) of the IT Act
7	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the IT Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	Copy of the lower tax withholding certificate obtained from Income Tax Department

#In case PAN is not updated with the Company's RTA or depository; or PAN is not available; and information sought in the declaration are not provided, higher rate of withholding tax as per relevant section shall be applied.

***In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.***

The above referred documents, duly completed and signed are required to be sent to the Company through email at [dividend@gail.co.in](mailto:dividend@gail.co.in) **only** by quoting your Name, Folio number / Demat Account No. (DP and Client ID both), Number of shares and PAN details **from 24<sup>th</sup> January, 2024 to 4<sup>th</sup> February, 2024 for the FY 2023-24** in order to enable the Company to determine and deduct appropriate TDS / withholding tax.

All communications/queries in this respect should be sent to [dividend@gail.co.in](mailto:dividend@gail.co.in) only.

In order to know the amount of tax deducted, out of dividend paid to shareholders after payment of dividend, the TDS certificate along with the necessary **BLANK FORMATS (Annexure 1- Annexure 12)** shall be available at Company's website at the following path:

**GAIL website → Investor Zone → Investor's Information → Investor Guide → TDS on Dividend.**

The TDS certificates will be generated of those shareholders whose TDS will be deducted by the company. The dividend amount of those shareholders whose TDS has not been deducted by the company will reflect in their AIS (Annual Information Statement).

Moreover, to know the amount of tax deducted, the Shareholder(s) can also check Form 26AS from their e-filing accounts at <https://incometaxindiaefiling.gov.in>.

Thanking You,

Yours faithfully,

For GAIL India Limited

**Sd/-**  
**(Mahesh Kumar Agarwal)**  
**Company Secretary**

**Notes:**

- i. **Update your KYC data to receive all communications and dividend information-** The shareholders are requested to update their KYC data viz. PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) i.e. MCS Share Transfer Agent Limited for shareholders holding shares in physical mode. Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
- ii. A declaration must be filed with the Company in **Annexure-12** where the shareholder being resident individual eligible for obtaining Aadhaar Number has not intimated/ linked the Aadhaar Number allotted with its PAN before the Record date. In such a case, the allotted PAN would be treated as inoperative for the provisions of deduction of TDS on the dividend declared by the Company.
- iii. After receipt of any of the above declarations, if the Company on the basis of its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves complete right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.
- iv. Shareholders holding shares under multiple demat accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different demat accounts.
- v. The documents furnished by the shareholders (such as Form No. 15G/15H, TRC, Form No. 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete. In case withholding tax 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. No claim shall lie against Company for any tax deducted by the Company.
- vi. 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, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.

- vii. In the event of any income tax demand (including interest, penalty, etc.) arising from the change in law/provisions of the IT Act, the company reserves the right to recover such demand from the shareholders.
- viii. 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.
- ix. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
- x. ***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 Residential status and validity of PAN of the beneficial shareholders as a part of the declaration. Declaration may be submitted on or before the record date.***
- xi. In the event of a mismatch in category of the shareholder (individual, company, trust, partnership, local authority, Government, Association of Persons etc.) as per the Register of members and as per fourth letter of PAN (10 digit alpha-numeric number), the Company would consider fourth letter of PAN for determining the category of shareholders and the applicable tax rate/ surcharge/ education cess.
- xii. Rate of TDS @10% under section 194 of the IT Act when the dividend payment is made to resident or rate under section 195 of the IT Act, as applicable, to non-resident is subject to the provisions of section 206AB of IT Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB of the IT Act, tax is required to be deducted at higher of the following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at higher of two rates prescribed in these two sections.

The term 'specified person' as defined in sub section (3) of section 206AB of the IT Act means a person who satisfies the following conditions:

- has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/collected. The previous year to be counted is required to be the one whose return filing date under sub-section (I) of section 139 has expired.
- The aggregate of TDS and Tax Collection at Source ('TCS') in his case is Rs.50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

In this regard, the Company will use the online utility provided by CBDT "Compliance Check for Sections 206AB and 206CCA". Refer Circular No. 10 of 2022 issued by CBDT in this regard.

In case, a person fulfils the conditions of being a 'specified person' as per the CBDT online utility, then tax will be deducted at higher rate as discussed above.

- The company will not provide the benefit of Most Favoured Nation Clause at the time of deduction of TDS. Shareholders can claim such benefit while filing their return of income.

Disclaimer: The above information does not constitute tax or legal advice. In view of the individual nature of the tax implications, each investor is advised to consult his or her own tax advisors with respect to the specific tax implications.