



**HINDUSTAN PETROLEUM CORPORATION LIMITED**  
(A Maharatna Company)

Regd. Office: Petroleum House, 17, Jamshedji Tata Road,  
Churchgate, Mumbai – 400 020  
CIN : L23201MH1952GOI008858

Tel:022-22863900 Extn.3201/3204 E-mail: [hpclinvestors@mail.hpcl.co.in](mailto:hpclinvestors@mail.hpcl.co.in)  
Website : [www.hindustanpetroleum.com](http://www.hindustanpetroleum.com)



**Communication to Shareholders - Intimation on Tax Deduction on Dividend**

Date: June 15, 2024

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on May 09, 2024 have recommended payment of Final Dividend for the Financial Year 2023-24 @ Rs.16.50/- per equity share of face value of Rs. 10/- each (pre-bonus) which translates into Final Dividend of Rs.11/- per equity share of face value of Rs 10/- each (post-bonus), subject to approval of the Members in the ensuing AGM.

Members holding shares as on August 09, 2024 (Record date) will be entitled to receive the dividend after deduction of applicable tax. In order to avail exemptions / concessions from Tax, Shareholders are required to submit necessary documents and details as enumerated in the following paragraphs.

**Tax Deduction at Source (TDS) on Dividend**

Shareholders may note that pursuant to the changes in the Income Tax Act,1961 ('the Act') as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates. The tax deduction / withholding tax rate would vary depending on the residential status of the shareholder and the exemptions as enumerated in the Act subject to fulfilling the documentary requirements.

TDS/Withholding tax provisions for both categories of shareholders viz. Resident and Non-Resident are detailed below:

**I. Resident shareholders:**

In respect of Resident Shareholders, Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act subject to fulfilment of the following conditions:

1. Valid Permanent Account Number ("PAN") will be mandatorily required.
2. Shareholders holding shares under multiple accounts under different status/ category (e.g., Resident and Non-Resident) 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.
3. **Non-linkage of PAN with Aadhaar:** As per Section 139AA of the Income Tax 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 with 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 206AA of the Act.
4. For Shareholders who are identified as "Specified Persons" under Sec 206AB of the Act, higher tax rate as applicable would be deducted if

- Shareholder has not filed the returns of income for the assessment year relevant to the previous year, immediately before the previous year for which the time limit for furnishing the return of income has expired, in which tax is required to be deducted/collected.
- Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in the said previous year.

For the purpose of TDS, Company will verify the status (i.e., Specified Person or not and PAN-Aadhar linkage) from the Government enabled online facility and deduct TDS accordingly.

Apart from the above, specific provisions applicable to Resident-Individuals and Resident Non-Individuals are given below for ready reference.

**IA. Resident Shareholders (Individual):**

1. In case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company under folio(s) during FY 2024-25 does not exceed Rs.5,000/-.
2. Tax will not be deducted at source in cases where a shareholder provides duly signed Form 15G – [Annexure 1](#) (applicable to an individual below the age of 60 years) / Form 15H - [Annexure 2](#) (applicable to an individual of the age of 60 years and above), provided that the eligibility conditions are met.
3. Valid PAN will be mandatorily required. However, if the PAN is not updated or is invalid or is deleted or if Aadhaar is not linked or is classified as Specified Person under Section 206AB then the higher rate as per the Act (i.e., 20%) would apply.

**IB. Resident Shareholders (Other than Individuals):**

The TDS for Resident shareholders (other than individuals) along with required documents are provided in Table below:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable to them: 1. PAN 2. Registration certificate along with 3. Self-declaration given in <a href="#">Annexure 3</a>
Mutual Funds	NIL	Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is covered under Section 196 of the Act along with Self-declaration given in <a href="#">Annexure 3</a>
Alternative Investment fund (AIF) established/ incorporated in India	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 (OR) Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with the following documents 1. Self-attested copy of the PAN card 2. Registration certificate 3. Self-declaration given in <a href="#">Annexure 3</a>
Recognized Provident Fund	NIL	Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the 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 Fund Act, 1952 needs to be submitted along with Self-declaration given in <a href="#">Annexure 3</a>
Approved Superannuation Fund / Approved Gratuity Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted: a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in <a href="#">Annexure 3</a>
National Pension Scheme	NIL	Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with Self-declaration given in <a href="#">Annexure 3</a>
Entities exempt under Section 10 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration given in <a href="#">Annexure 3</a> duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in <b>Circular No.18 of 2017</b> )
Corporation established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income- tax on its income including entities in which such corporations are the beneficial shareholders	NIL	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration given in <a href="#">Annexure 3</a>
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Benefit under Rule 37BA	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Members / intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration given in <a href="#">Annexure 4</a> along with <a href="#">Appendix A</a> Any declaration submitted after the cut-off date will not be accepted.
Other resident shareholders without PAN/Invalid PAN/ Deleted	20%	

PAN/ Aadhar linked/ compliance of Section 206AB	PAN- not non- of	
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## **II. Non-resident Shareholders**

In respect of Non-Resident Shareholders, Tax will be deducted at source (“TDS”) under Section 195 and Section 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable unless exempt under the provisions of the Act as given below:

<b>Category of Shareholder</b>	<b>Tax Deduction Rate</b>	<b>Exemption Applicability/ Documents required</b>
Any non-resident shareholder (including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI))	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>As per Section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement (‘DTAA’) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:</p> <ol style="list-style-type: none"> <li>Copy of Permanent Account Number (PAN), if available.</li> <li>Self-attested copy of Tax Residency Certificate (‘TRC’) issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder’s tax residency status during FY 2024-25.</li> <li>E-filed Form 10F filed on the Indian Income-tax e-filing portal. Steps to file the same is enclosed as (for shareholders who have PAN - <a href="#">Annexure 5a</a>) and (for shareholders who do not have PAN- <a href="#">Annexure 5b</a>).</li> <li>Self-declaration of having no taxable presence, fixed base or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder (<a href="#">Annexure 6</a>)</li> </ol> <p>Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident shareholders. The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p>
Submitting Order under section	Rate provided	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

**Note:**

1. Shareholders holding shares under multiple accounts under different status/ category (eg. Resident and Non-Resident) 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.
2. For Shareholders who are identified as “Specified Persons” under Sec 206AB of the Act, higher tax rate as applicable would be deducted if:
  - a) Shareholder has not filed the returns of income for the assessment year relevant to the previous year, immediately before the previous year for which the time limit for furnishing the return of income has expired, in which tax is required to be deducted/ collected.
  - b) Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in the said previous year.

For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly. It may be noted that as per section 206AB, the specified persons shall not include a non-resident who does not have a permanent establishment in India.

**Annexures:**

To view / download Annexure 1 - Form 15G [click here](#) and Annexure 2 Form 15H [click here](#)

To view / download Annexure 3 - Resident Tax Declaration [click here](#)

To view / download Annexure 4 – Rule 37BA declaration [click here](#) and appendix A [click here](#)

To view / download Annexure 5a – Steps to file e-filed Form 10F (for shareholders having PAN) [click here](#)

To view / download Annexure 5b – Steps to file e-filed Form 10F (for shareholders not having PAN) [click here](#)

To view / download Annexure 6 - Letter Foreign Company has no PE in India and Self declaration owner [click here](#)

**Submission of Declarations and other Documents:**

Kindly note that the documents and annexures as explained above duly filled and signed can be uploaded by the shareholders directly at the Website <https://hpcldiv2024.com/> and in case of any difficulty be sent to the Email ID [taxforms@hpcldiv2024.com](mailto:taxforms@hpcldiv2024.com)

Shareholders are requested to submit the required documents for availing tax exemption/concession before August 02, 2024 for further processing.

It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you or on application of provisions of Section 206AB, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

**No claim shall lie against the Company for such taxes deducted.**

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 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.

**Updation of KYC details including PAN, Email ID, Mobile number, Bank and other details**

SEBI vide its circulars has mandated payment of corporate benefits such as dividend, interest etc. only through electronic mode w.e.f April 01, 2024 to those members who have their KYC details updated in their folios. Accordingly, members are requested to verify / update their KYC details with the Depository Participants (for members holding shares held in demat form) / Registrar & Share Transfer Agent(s) (for members holding shares held in Physical form).

Shareholders, whose valid PAN is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>

We request your usual cooperation in this regard.

Thanking you,

**V Murali**  
**Company Secretary**

**Encl.: as above**

Disclaimer: This communication shall not be treated as an advice from the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional

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