



GUJARAT GAS

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CIN: L40200GJ2012SGC069118

Dated 22nd July, 2022

Subject: Communication for Deduction of Tax at Source on Dividend

Dear Shareholder (s),

We take pleasure in informing you that the Board of Directors of your company at its meeting held on 10th May 2022, has recommended a dividend of Rs.2/- per equity share of face value of Rs.2/- each for the financial year ended 31st March, 2022 and the said Dividend will be paid post approval of the Shareholders at the ensuing Annual General Meeting.

Members may note that the Income Tax Act, 1961, mandates that dividends paid or distributed by a Company shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of payment of dividend.

UPDATION OF PAN / CATEGORY / RESIDENTIAL STATUS / EMAIL

To enable us to identify the appropriate TDS/Withholding Tax, all Shareholders need to ensure that below details are completed / updated in their respective Demat account(s) maintained with the Depository participant(s); or in case of shares held in Physical Form, with company's Registrar and Transfer Agent ['R&TA'] KFin Technologies Limited, **on or before record date fixed for the purpose of dividend.**

1. Valid Permanent Account Number [PAN]
2. Category of shareholder (Individual, HUF, FIRM, Company etc.)
3. Residential Status as per Income Tax Act for F.Y. 2022-23 (Resident or Non-Resident)
4. Email ID for communication.
5. Address for Communication

In absence of updation/confirmation of above details by record date fixed for the purpose of dividend, information as per Depository Participant's and R&TA's records (as applicable) will be used by the Company for determining the TDS on dividend and the same shall be considered as final & binding to the Shareholder.

In absence of valid PAN / no PAN, TDS will be deducted as per Section 206AA of the Income Tax Act, 1961 [i.e. 20% or rates in force, whichever is higher].

SUBMISSION OF CONCESSIONAL FORMS / DECLARATIONS

Certain category of shareholders which are exempted from deduction of tax at source may note that they are required to submit certain Forms/Declarations/Documents (as mentioned in later part of this Communication) in order to enable the Company to determine and deduct appropriate TDS / withholding Tax.

The Shareholders are requested to upload the said Documents/Forms on the upload centre of Company's ['R&TA'] <https://ris.kfintech.com/form15>. or email to einward.ris@kfintech.com or may submit the physical documents to M/s. KFintech technologies Ltd, Unit: Gujarat Gas Limited, Karvy Selenium Tower B, Plot 31-32, Financial District, GachiBowli, Serilingampally Mandal, Nanakramguda, Hyderabad - 500032 Telangana Phone No.: 040 67161776/1606.

The forms should be submitted through the above specified mode **on or before two days post record date fixed for the purpose of dividend**. Shareholders are advised to submit the said documents well in advance to ensure proper compliance. No Forms/Declaration/Documents on the tax determination / deduction as mentioned above shall be considered after the aforesaid timelines.

APPLICABILITY OF TDS/WITHHOLDING TAX ON DIVIDEND WILL BE AS UNDER:

FOR RESIDENT SHAREHOLDERS:

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Resident Individual Shareholder	10%	No TDS shall be deducted in the case where the total Dividend Income for FY 2022-23 to the Individual Shareholder from the respective entity paying the dividend does not exceed Rs. 5,000/-
Resident Individual submitting form 15G/15H	NIL	<ul style="list-style-type: none">• Duly filled Form 15G (Individual less than 60 years)• Duly filled Form 15H ((Individual with age 60 years or more) Blank Form 15G and 15H can be downloaded from GGL's website at https://www.gujaratgas.com/investors/tds-on-dividend/
Insurance Companies	NIL	<ul style="list-style-type: none">• Self-Attested copy of PAN & IRDAI Registration Certificate• Dully signed self-declaration Declaration format can be downloaded from GGL's website at https://www.gujaratgas.com/investors/tds-on-dividend/
Mutual Funds	NIL	<ul style="list-style-type: none">• Self-Attested copy of PAN & Registration Certificate• Dully signed self-declaration Declaration format can be downloaded from GGL's website at https://www.gujaratgas.com/investors/tds-on-dividend/

Alternative Investment Fund Category- I & II	NIL	<ul style="list-style-type: none"> • Self-Attested copy of PAN & Registration Certificate issued by SEBI • Self-Declaration that its income is exempt under section 10(23FBA) read with Section 115UB read with Section 197A(1F) of the Act.
Order u/s 197 of the Act	Rate provided in the order	<ul style="list-style-type: none"> • Valid Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities for the F.Y. 2022-23 • Self-attested copy of PAN <p>Gujarat Gas Limited's tax deduction account number (TAN) which is required for applying lower/ nil TDS certificate is AHMG05349B.</p>

FOR NON-RESIDENT SHAREHOLDERS

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Non-Resident Shareholder including Foreign Institutional Investors / Foreign Portfolio Investors ('FII/FPI']	20% (plus applicable surcharge and cess) or Tax treaty rate (if the same is availed on the basis of submission of requisite documents & disclosures)	<p>If Non-Resident Shareholder wishes to avail the benefits of Tax Treaty, they will have to submit the following:</p> <ul style="list-style-type: none"> • 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) applicable for FY 2022-23 obtained from the tax authorities of the Country of which the Shareholder is resident. • Dully signed Form 10F with all the requisite details • Self-Declaration by the Non-Resident Shareholder of having no Permanent Establishment (No PE) /Fixed Base in India, beneficial ownership & compliance with provisions of Multilateral Instrument (MLI). <p>The format for "Form 10F" and "Self Declaration by Non-Residents" can be downloaded from GGL's website at https://www.gujaratgas.com/investors/tds-on-dividend/</p> <p>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.</p>
Submitting Order under section 197 or 195 of the Act.	Rate provided in Order	<ul style="list-style-type: none"> • Valid Lower / NIL Withholding Tax Certificate obtained from Income Tax Authorities for the F.Y. 2022-23 • Self-attested copy of PAN

		Gujarat Gas Limited's tax deduction account number (TAN) which is required for applying lower/ nil TDS certificate is AHMG05349B .
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The Shareholders holding shares under multiple accounts under different status / category 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.

Applicability of Section 206AB of Income Tax Act, 1961

Section 206AB of the Income Tax Act prescribes for higher rate of TDS / withholding tax on any sum or income or amount paid, or payable or credited, by a person to a specified person. The tax shall be deducted at the higher of the below rates:

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

The term 'specified person' is defined in sub section (3) of Section 206AB of the Act to mean a person who satisfies all the following conditions:

- a. A person 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 for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired.
- b. The aggregate of Tax Deducted at Source and Tax Collected at Source in his case is Rs. 50,000 or more in the said previous year.

The non-resident who does not have a permanent establishment in India is excluded from the scope of a specified person. Further, CBDT vide its circular dated 21.06.2021 have provided a mechanism of compliance check U/s. 206AB on reporting portal of Income Tax Department. The TDS applicability in compliance to the provisions of Section 206AB will be determined basis the mechanism specified in the aforementioned circular.

Further, sub section (2) of Section 206AB of the Act provides that where Sections 206AA and 206AB are applicable i.e. the specified person has not furnished the PAN as well as not complied to Section 206AB; the tax shall be deducted at the higher of the two rates provided in the aforesaid sections.

DECLARATION UNDER RULE 37BA OF IT RULES, 1962

As per Rule 37BA of the Income Tax Rules, 1962, any entity holding shares on behalf of registered shareholders or acting as a custodian, should inform by submitting declaration to the Company/ R&TA, about providing credit of TDS and issue of TDS certificate to the respective beneficiary. The said declaration should be submitted on or before two days post record date fixed for the purpose of dividend.

NOTE:

1. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members on the record date and any other additional documents that may be submitted.
2. 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.
3. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from residential shareholders, there would still be an option available to the shareholder to claim the appropriate refund at the time of filing the return of income as per eligibility. No claim shall lie against the Company for such taxes deducted.
4. TDS Certificate as per statutory timeline will be made available and communication for the same will be done separately.
5. Above communication for TDS on dividend is a summary of the provisions of Income Tax Act, 1961. Hence, it should not be presumed to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

In case of any queries, the Shareholders may write to us at M/s. KFIN TECHNOLOGIES LIMITED, Unit: Gujarat Gas Limited, Selenium Tower B, Plot 31-32, Financial District, GachiBowli, Serilingampally Mandal, Nanakramguda, Hyderabad 500032 Telangana Phone No.: 040 67161776/1606 or send email to einward.ris@kfintech.com.

Thanking You.

For Gujarat Gas Limited

Sandeep Dave
Company Secretary

Note: Record Date once fixed will be intimated to Stock Exchanges as per the statutory requirement