



MAHARASHTRA SCOOTERS LTD.

Maharashtra Scooters Limited

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13 June 2023

Dear Shareholder(s),

Subject: Communication on Tax Deduction at Source (TDS) on dividend

We are pleased to inform you that the Board of Directors of the Company at their meeting held on 24 April 2023, recommended a dividend of ₹ 60 per equity share of the face value of ₹ 10, for the financial year ended 31 March 2023.

The dividend, if approved by the shareholders at the ensuing Annual General Meeting ('AGM') scheduled on Monday, 24 July 2023, will be credited/ dispatched on Friday, 28 July 2023 and/ or Saturday, 29 July 2023, to all those shareholders holding shares in physical and electronic form as on the record date i.e., Friday, 30 June 2023.

As you may be aware, in terms of the provisions of the Income Tax Act, 1961 (the 'IT Act'), dividend paid or distributed by a company shall be taxable in the hands of shareholders. Accordingly, the Company would be required to deduct TDS in respect of approved payment of dividend to its shareholders (Residents as well as Non-Residents).

Accordingly, you are requested to ensure that the below details, as applicable to you, are submitted and/ or updated with KFin Technologies Limited (KFin), the Registrar and Share Transfer Agent/ your demat account(s) maintained with the Depository Participant(s) for the purpose of complying with the applicable TDS provisions:

- Valid Permanent Account Number (PAN);

- Residential status as per the i.e., Resident or Non-Resident for FY 2023-24 (i.e., 1 April 2023 to 31 March 2024);
- Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) - Category I, II and III, Government (Central/ State Government), Corporation established by/ or under the Central Act, Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.; and
- Address with PIN code (including country).

To give effect to the TDS provisions, the shareholders are required to provide/ upload with KFin at <https://ris.kfintech.com/form15> or email to einward.ris@kfintech.com the documents/ certificates/ declarations as stated in the ensuing paragraph and corresponding **Annexure A** latest by **Tuesday, 11 July 2023**.

Kindly note that no communication or documentation on tax determination / deduction shall be entertained after the above-mentioned date.

Resident Shareholders:

Tax shall be deducted at source under section 194 of the IT Act at the rate of 10% on the amount of dividend declared and paid by the Company during financial year ('FY') 2023-24. However, in the following cases, TDS at the rate of 20% would be applicable as per the IT Act:

➤ Section 206AA of IT Act:

- In case where, PAN is not available/ submitted, or PAN submitted is invalid or;
- In case PAN is not linked with Aadhaar in accordance with the provisions laid down under section 139AA of the IT Act, then such PAN shall deemed to be inoperative / invalid, and TDS will be deducted at higher rate as per section 206AA of the IT Act; and
- The Company will be using online functionality of the Income-tax department for the above purpose and no claim shall lie against the Company for such tax deduction. As of now CBDT vide its circular 03/2023 dated 28 March 2023 has extended the time limit for linking PAN with Aadhaar up to 30 June 2023. Subject to further extension, if you have not linked your PAN with Aadhaar, kindly do so, to avoid higher Tax deduction.

➤ Section 206AB of IT Act:- In case of 'specified person'.

- "Specified person" means a taxpayer who has not filed income tax return of previous year (i.e., FY 2021-22) and in whose case the aggregate of TDS and TCS in said previous year is ₹ 50,000 or more;
- The Company would rely on the online functionality of the Income tax Department to check the

status of Specified person and shall accordingly determine the applicable TDS rate. The Company shall not rely on any declaration in relation to non-applicability of provisions of section 206AB of the IT Act.

Further, no tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during the financial year does not exceed ₹ 5,000.

Tax will not be deducted at source in case where a shareholder provides Form 15G (where applicable) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are met and shareholder holds valid PAN or PAN is linked with Aadhaar.

NIL / lower tax shall be deducted on the dividend payable to resident shareholder's on submission of relevant documents listed in **Annexure - A (Part 1)** herewith. Kindly note that the aforementioned documents should be uploaded with KFin at <https://ris.kfintech.com/form15/> or emailed to einward.ris@kfintech.com. No communication on tax determination / deduction shall be entertained after 11 July 2023.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

Non-resident Shareholders:

Tax is required to be deducted at source in case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the Act, the TDS on dividend shall be @ 20% plus applicable surcharge and health & education cess. For FII/ FPI shareholders, section 196D of the IT Act provides for TDS @ 20% plus applicable surcharge and health & education cess.

However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with applicable Multilateral Instrument ('MLI') provisions if they are more beneficial to them.

In order to claim the benefit of DTAA, the non-resident shareholders will have to provide required documents/ declarations. A list of such documents/ declarations required to be provided by the non-resident shareholders is enclosed as **Annexure - A (Part 2)** herewith. Kindly note that the said documents should be uploaded with KFin; at <https://ris.kfintech.com/form15/> or emailed to einward.ris@kfintech.com. No communication on the tax determination / deduction shall be entertained after 11 July 2023. The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting the requirement of the IT Act read with applicable DTAA. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- Further, if a resident/ non-resident shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company (TAN - PNEM07736B), tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the details/ valid documents mentioned in preceding paragraphs from the shareholders within the timeline mentioned above, the shareholders may consider claiming appropriate refund, as may be eligible in their return of income. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, if approved in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) on the e-filing website of the Income Tax department of India at <https://www.incometax.gov.in/home>.

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(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operate in any assessment/ appellate proceedings before the Tax/ Government authorities.

The Company will be sending out individual communication to you through KFin. In the communication, step by step procedure for sharing/ uploading the aforementioned documents will be provided.

FAQs relating to the above is hosted on the website of KFin at [Click here](#) and also on the website of the Company at <https://www.mahascooters.com/investors.html#miscellaneous>.

We seek your co-operation in the matter.

[Click here](#) to download - Annexure A containing link of relevant Forms / Declarations

Your sincerely,

For **Maharashtra Scooters Limited**

Sd/-
Sriram Subbramaniam
Company Secretary