



**MAHARASHTRA
SCOOTERS LTD.**

Maharashtra Scooters Limited

CIN: L35912MH1975PLC018376

Registered Office: C/o. Bajaj Auto Limited,
Mumbai-Pune Road, Akurdi, Pune, 411 035

Website: www.mahascooters.com

Email ID: investors@mssl.co.in

Tel: (020) 7157 6066 Fax: (020) 7150 5792

18 September 2023

Ref: Folio / DP Id & Client Id :

Name of the Shareholder:

Dear Shareholder,

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

Maharashtra Scooters Limited ('the Company') at its Annual General Meeting held on 24 July 2023, declared dividend of Rs. 60 per equity share, of the face value of Rs. 10 each, for the financial year ended 31 March 2023. The said dividend was credited/ dispatched to the shareholders on or 28 July 2023, after deduction of tax at source, as applicable, to the extent the details were available with the Company.

We are pleased to inform you that the Board of Directors of the Company at their meeting held on 15 September 2023 have declared an interim dividend of Rs.110 per equity share, of the face value of Rs. 10 each for the financial year ending on 31 March 2024.

The aforesaid interim dividend will be credited/ dispatched on or around 13 October 2023, to all those eligible shareholders holding shares as on end of the day on 29 September 2023 (record date).

Accordingly, you are requested to ensure that the below details, as applicable to you, are submitted and/ or updated with the Registrar and Share Transfer Agent - KFin Technologies Limited ('KFin')/ 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 Income-tax Act, 1961 ('the Act'), 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), 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.;
- Email Address;
- Bank account details; and
- Address with PIN code (including country).

Following additional documents are to be submitted by the shareholders holding shares in physical form:

- Scanned copy of cancelled cheque leaf of the above-mentioned bank account; (In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.); and
- Self-attested copy of your PAN card.

This will facilitate receipt of dividend directly in your bank account.

As per the provisions of the Income-tax Act, 1961 ('the Act'), the Company is required to deduct TDS in respect of approved payment of dividend to its shareholders (resident as well as non-resident). To give effect to the TDS provisions, the shareholders are required to provide/ upload with the Registrar and Transfer Agent at <https://ris.kfintech.com/form15> or email to inward.ris@kfintech.com the documents/ certificates/ declarations as stated in the ensuing paragraph and corresponding Annexure A latest by 3 October 2023. No communication 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:

- a. **Section 206AA** of IT Act:- In case where, PAN is not available/ submitted, or PAN submitted is invalid. Further, as per Section 139AA of the 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 to 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. 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. CBDT vide its circular 03/2023 dated 28th March 2023 has extended the time limit for linking PAN with Aadhaar up to 30 June 2023 and no further extension has been granted. Hence, if Aadhaar is not linked to PAN upto 30 June 2023, the same will be deemed to be invalid/ inoperative unless it is made operative through the laid down procedures.
- b. **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/ FY 2022-23) where aggregate of TDS and TCS in said previous year is Rs 50,000 or more;
 - As per Notification No. 01 of 2022 dated 9th June 2022, issued by Central Board of Direct Taxes, in order to check the status of a shareholder as 'specified person', the Company would rely on the details available on the online functionality of the Income tax Department 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 Rs. 5,000 (including the final dividend paid on 28 July 2023).

Tax will not be deducted at source in cases 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.

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 <https://ris.kfintech.com/form15/> or emailed to inward.ris@kfintech.com. No communication on tax determination / deduction shall be entertained after 3 October 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.

Kindly note that even in a case where the shareholders had duly submitted Form 15G, Form 15H or other documents at the time of payment of dividend in July 2023, they are required to furnish fresh Form 15G, Form 15H or other documents in respect of payment of interim dividend for the financial year ending 31 March 2024, after including the amounts of dividend distributed earlier in July 2023 as well as the dividend proposed to be paid in October 2023.

Non-resident Shareholders:

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

However, as per section 90 of the 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 3 October 2023.

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.

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 Act.

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.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date.
- 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.

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.

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, The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES website <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometax.gov.in/home>.

Also, please provide valid declaration under Rule 37BA of the Income Tax Rules in case of Joint shareholders, Minor shareholders, etc. in case the dividend income is assessable for tax in the hands of person, other than the person whose name appears in the shareholder register as on the record date.

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.

FAQs relating to the above is hosted on the website of KFin at [Click here](#) and also on the website of the Company at www.mahascooters.com.

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

[Click here to download - Form 15H](#)

[Click here to download - Form 15G](#)

[Click here to download - Form 10F](#)

[Click here to download - self declaration \(Non-resident shareholder\)](#)

[Click here to download - Declaration as per Rule 37BA](#)

[Click here to download - Declaration as per Rule 37BC\(2\)](#)

Disclaimer: The information set out hereinabove 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.

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