



Commercial Vehicle Solutions

Department Finance
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Date July 18, 2024

ZF Group - ZF Commercial Vehicle Control Systems India Limited, Chennai 600058

The Manager
Listing Department
BSE Limited, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

Scrip code: 533023

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra - Kurla Complex
Bandra (E), Mumbai 400 051

Trading Symbol: ZFCVINDIA

ISIN : INE342J01019

Dear Sir(s),

Sub.: Communication to Shareholders - Intimation on Tax Deduction at Source ("TDS") on the Dividend for FY 2023-24

Pursuant to the changes introduced by the Finance Act, 2020, the Dividend Distribution Tax has been abolished with effect from 1st April, 2020 and the Dividend income has become taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders whose email addresses are registered with the Company/Depositories, inter-alia, indicating the process and documentation required for claiming tax exemption on dividend. The said communication has also been uploaded on the website of the Company viz.

https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html

Kindly take the above on record.

Yours sincerely,

ZF Group

Muthulakshmi M
Company Secretary
ZF Commercial Vehicle Control Systems India Limited
(Formerly known as WABCO INDIA Limited)

Encl: As above



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ZF Group · ZF Commercial Vehicle Control Systems India Limited, Chennai 600058

Date : 18.06.2024

Dear Shareholder

We wish to inform you that the Board of Directors at their Meeting held on 24th May, 2024 has approved the payment of dividend of Rs.17/- (340%) per share of Rs.5/- (Five Rupees) each for the financial year ending 31st March, 2024.

The Dividend approved by the Board of Directors will be paid within 30 days from the date of declaration of dividend in the board meeting, as provided in the Companies Act, 2013 to those members whose names appear:

- a. As members on the Register of Members of the Company as on 15th July, 2024 after giving effect to all valid transmission or transposition requests lodged with the Company for the shares held in physical form up to the closing hours of business on 15th July 2024.
- b. As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 15th July 2024.

In accordance with the provisions of the Income-Tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) from the dividend to be paid at the prescribed rates. The TDS rate would vary depending on the residential status and category of the shareholder. Accordingly, the Dividend will be paid after deducting TDS as explained herein.

SECTION A: FOR ALL SHAREHOLDERS - UPDATION OF DETAILS, AS APPLICABLE

It may be noted that in case you had already registered the following details with the Company / Integrated Registry Management Services Pvt. Ltd. (RTA), the details as available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Company / RTA, for the purpose of complying with the applicable TDS provisions:

I. Valid Permanent Account Number (PAN) allotted by Indian Income tax Authorities.

II. Residential status as per the Act i.e., Resident or Non-Resident for FY 2024-25.

III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), 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, Foreign Company, etc.



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IV. Email Address.

V. Residential Address

In case, you wish to update the above-mentioned details, you are requested to submit the details by using the following link and by uploading documents by e-signing it, if you are holding shares in physical form.

<https://www.integratedregistry.in/KYCRegister.aspx>

SECTION B: TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDERS

Shareholders are requested to take note of the TDS rates and document(s), if any, required to be submitted to the Company by 17th July, 2024 for their respective category, in order to comply with the applicable TDS provisions.

I. FOR RESIDENT SHAREHOLDERS:

Category of shareholders	Exemption applicability/Documentation requirement
Mutual Funds	No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
Insurance Companies	No TDS is required to be deducted as per Section 194 of the Act, subject to specified conditions. Self-attested copy of PAN and valid IRDAI registration certificate needs to be submitted.
Category I and II Alternative Investment Fund	No TDS is required to be deducted as per Section 197A(1F) of the Act, subject to specified conditions. Self-attested copy of valid SEBI registration certificate in accordance with section 10(23FBA) of the Act needs to be submitted.
Recognized Provident Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. 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 Funds and Miscellaneous Provisions Act, 1952 needs to be submitted.
Approved Superannuation Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by the Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
Approved Gratuity Fund	No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self- attested copy of valid approval granted by the



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	Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.
New Pension System Trust	No TDS is required to be deducted as per Section 197A(1E) of the Act.
Government (Central/State)	No TDS is required to be deducted as per Section 196(i) of the Act.
Any other entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted.
Other resident shareholder	<p>TDS is required to be deducted at the rate of 10% with effect from 1st April, 2021 under Section 194 of the Act.</p> <p>No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to an individual shareholder does not exceed Rs. 5,000/-.</p> <p>No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individuals above the age of 60 years with no tax liability on the total income).</p> <p>TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the shareholder is not available / inactive.</p> <p>TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided.</p>

II. FOR NON - RESIDENT SHAREHOLDERS:

Category of shareholders	Exemption Applicability/Documentation requirement
Any entity entitled to exemption from TDS	Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted.
FPI, FII and Other non-resident shareholder	<p>a. TDS is required to be deducted at the rate of 20% or the rates in force as per the Finance Act (plus applicable surcharge and cess) under Section 195 of the Act</p> <p>b. Further, as per Section 90 of the Act the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty read with Multilateral instrument (MLI) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:</p> <p>Self-attested copy of the PAN allotted by the Indian Income Tax authorities; Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident; Self-declaration in Online Form 10F (Generated from Indian Income tax</p>



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portal); and

Self-declaration certifying:

- The shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2024-25;
- The shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
- The shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- The shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2024-25.

c. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under Section 197 of the Act, if such certificate is provided.

Notes:

1. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
2. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being uploaded by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
3. In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Book Closure Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
4. Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
5. We shall arrange to email the soft copy of the TDS certificate at your registered email ID in due course, post payment of the dividend. Shareholders will also be able to see the credit of TDS in Form 26As, which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in/iec/foervices/#/login>
6. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to



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file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

Benefit under Rule 37BA: In case the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person. In case where shares are held by Clearing Members / Intermediaries / Stockbrokers, and TDS is to be applied by the Company in the PAN of the beneficial Shareholders then intermediaries / stockbrokers or others and the beneficial Shareholders will have to provide a declaration.

7. 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.

8. 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

9. "As per the new provisions under Income Tax Act, 1961, a person shall be levied a higher TDS rate w.e.f. 1st July, 2021, if they have not filed Income Tax Returns 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; and aggregate TDS / TCS Credit of Rs.50,000/- or more in the said previous year (Section 206AB).

10. From 1st July, 2023, Tax is to be deducted at higher rate in case of Inoperative PAN (If PAN is not linked to Aadhar it will be treated as Inoperative PAN) under section 206AA r.w.r. 114AAA of Act.

This new Section requires the TDS to be deducted at higher of the following rates for not complying with the above provision.

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

In view of the above, Income Tax Department has facilitated a new functionality "Compliance Check for Section 206AB & 206CCA" to facilitate tax deductors / collectors to verify if a person is a "Specified Person" as per section 206AB & 206CCA. The Company will do a Compliance Check using your PAN and deduct tax at higher rate if it is found that the above provisions are not complied with".

"Specified person" as defined u/s 206AB (3) is a person who has:

- (a) 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 section 139(1) has expired; and
- (b) the aggregate of TDS and TCS in his case is rupees fifty thousand or more in the said previous year];



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Example: In case TDS need to be deducted for FY 2024-25, the relevant previous year for which income tax return should have been filed is FY 2022-23.

Note: The above provision of 206AB does not apply to a non-resident who does not have a permanent establishment in India. Permanent establishment for this purpose includes a fixed place of business where the enterprise's business is carried out wholly or partially.

Kindly note that the aforementioned documents are required to be submitted using the link provided below:

<https://www.integratedindia.in/ExemptionFormSubmission.aspx>

These documents, valid in all respects, should be submitted on or before 8th April 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

Shareholders are requested to complete necessary formalities with regard to linking core banking details to their demat accounts for enabling the Company to make timely credit of dividend in the respective bank accounts.

We may draw your attention to Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB /P/CIR/2021/687 dated December 14, 2021 issued by SEBI. SEBI vide these Circulars have mandated the furnishing of PAN of all the holders, Address with PIN code, Email address, Mobile No., Bank Account details of the first holder, Specimen Signature and Nomination by holders of physical securities and that "from January 1, 2022, the RTAs shall not process any service requests or complaints received from the holder(s)/claimant(s), till PAN, KYC and Nomination documents/details are received".

SEBI, vide the circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

As such, in case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc. shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.



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The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our RTA's website at https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA

If you are holding shares in Demat form you are requested to get your KYC details updated with your Depository Participant. Your co-operation in this regard is solicited.

Thanking you,

Yours faithfully,

For ZF Commercial Vehicle Control Systems India Limited (formerly known as WABCO India Limited)

Sd/-
Muthulakshmi M
Company Secretary

Encl.: as above.

Note: Please do not reply to this email, as this email id is not monitored.