

MSIL: COS: NSE&BSE: 2023/07_04

8th July, 2023

Vice President
National Stock Exchange of India Limited
“Exchange Plaza”, Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051

General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Sub: Communication on deduction of tax at source

Dear Sirs,

In terms of the provisions of the Income-tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, the dividend paid or distributed by a Company on or after 1st April 2020 is taxable in the hands of the members. The Company is, therefore, required to deduct tax at source ("TDS") at the time of payment of dividend at the rates prescribed under the Act read with the Double Taxation Avoidance Agreements (wherever applicable).

In this regard, please find enclosed herewith an email communication which has been sent to the eligible members on 7th July, 2023, indicating the process and documentation required to comply with the applicable TDS provisions.

Kindly take the same on record.

Thanking you,

Yours truly,

For Maruti Suzuki India Limited

Sanjeev Grover
Executive Vice President
& Company Secretary

MARUTI SUZUKI INDIA LIMITED

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Old Palam Gurgaon Road,
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Manesar Plant:
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Tel: 0124-4884000, Fax: 0124-4884199

Dear Member,

We hope that you and your family are doing well and are safe and healthy. Please take care of yourselves.

We wish to inform you that the Board of Directors ("Board") of the Company has, in its meeting held on 26th April, 2023, recommended a final dividend of Rs. 90/- per equity share having nominal value of Rs. 5/- each for the FY ended on 31st March 2023.

The dividend, if approved at the ensuing Annual General Meeting, will be paid to the Members holding equity shares of the Company, in electronic form as at the close of business hours on Thursday, the 03rd August, 2023 on the basis of details of beneficial ownership furnished by the Depositories and to the Members holding shares in physical form whose names appear in the Register of Members of the Company as at the close of business hours on Thursday, the 03rd August, 2023 after giving effect to valid requests received for transmission / transposition of shares on or before Thursday, the 03rd August, 2023.

In terms of the provisions of the Income-tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April 2020 is taxable in the hands of the members. The Company is, therefore, required to deduct tax at source ("TDS") at the time of payment of dividend at the rates prescribed under the Act read with the Double Taxation Avoidance Agreements (wherever applicable).

TDS would vary depending on the residential status, category of the member, compliant / non-compliant status based on filing status of income tax return of the preceding year, as per Section 206AB of the Act and is subject to provisions of requisite declarations / documents to the Company. Where Section 206AB gets triggered, taxes would be withheld at a higher rate. Therefore, all shareholders should update/verify the PAN and the residential status as per the Act, if not already done, with the Depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).

You are requested to take note of the below stated tax rates and document(s), if any, which are required to be submitted to the Company for your respective category on or before Thursday, the 03rd August, 2023, in order to comply with the applicable TDS provisions.

To summarize, dividend will be paid after deducting the tax at source as under:

Resident members:

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%	Update/Verify the PAN and the residential status as per Act, if not already done, with the Depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode). In case of Individual member, TDS would not apply if the aggregate of total dividend distributed to the member by the Company during financial year 2023-24 does not exceed Rs. 5,000

Without PAN/ Invalid PAN / Inoperative PAN	20%	Please note that where the shareholder being resident individual eligible for obtaining Aadhaar Number have not linked the Aadhaar Number allotted with its PAN, such PAN would be treated as inoperative for the provisions of deduction of TDS.
Submitting Form 15G/ Form 15H	NIL on the amount of Dividend for which Form 15G/H has been furnished	Duly verified Form 15G or 15H (as may be applicable in duplicate) is to be furnished along with self-attested copy of PAN card. Blank Form 15G and 15H can be downloaded from the below links. Click Here to download - 15G Click Here to download - 15H Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted if it does not fulfil the requirement of the law.
Submitting Order/ Certificate under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority along with copy of PAN card. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the financial year 2023-24 and should cover the dividend income.
An Insurance Company as specified under Sec 194 of the Act	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certification issued by the IRDAI to the effect that no TDS is required as per provisions of section 194 of the Act. Click Here to download - Self-declaration_form
Mutual Fund specified under clause (23D) of Section 10 of the Act	NIL	Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate issued by SEBI. Click Here to download - Self-declaration_form
Alternative Investment Fund (AIF) established in India [Section 197A, CBDT Notification 51/2015]	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI. Click Here to download - Self-declaration_form
New Pension System Trust governed by Section 10(44) [subsection 1E to section 197A]	NIL	Self-declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act along with self-attested copy of PAN card and registration certificate issued by IRDA. Click Here to download - Self-declaration_form

Corporation established by or under a Central Act governed by section 196	NIL	Certificate of registration which indicates that it is corporation established under central act and its income is exempt from income tax along with a self-declaration. Click Here to download Self-declaration_form.
Recognized Provident Fund	NIL	Self-attested copy of a PAN card and 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 Act, 1952
Approved Superannuation Fund or Approved Gratuity Fund	NIL	Self-attested copy of a valid approval granted by commissioner under Rule 2 of Part B or Part C of the Fourth Schedule to the Act along with self-attested copy of PAN card.
Other Members who are exempted from tax deduction	NIL	Documentary evidence for members who are exempted from deduction of tax under Section 194 of the Act and copy of PAN card. Click Here to download - Self-declaration_form

Please note that the Company is not obligated to consider the forms and the declarations submitted by Resident shareholders while deducting tax at source. Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident members, by the Company.

Non-resident members:

Particulars	Applicable Rate	Documents required (if any)
A Non-resident shareholder (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)) except if specifically falling under any of the below categories	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<ul style="list-style-type: none"> Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories or with the Company's Registrar and Transfer Agent ("RTA"), as the case may be. Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route. Self-attested copy of SEBI Registration certificate

In order to apply the Tax Treaty rate, all the following documents would be required:

- Self-attested copy of PAN allotted by the Indian Tax authorities
- Self-attested copy of the Tax Residency Certificate applicable for the period 1 April, 2023 to 31 March, 2024 obtained from the tax authorities of the country of which the shareholder is a resident.
- Electronically generated Form 10F from the link <https://eportal.incometax.gov.in/> (for non-resident possessing PAN) and in case of non-resident not possessing PAN & not required to have a PAN, a hard copy of duly executed Form 10F along with a declaration (refer format attached) that the shareholder is not required to have a PAN as per the provisions of the Act read along with Rules. ([Click Here](#) to download).
- Self-declaration ([Click Here](#) to download) primarily covering the following:
 - ✓ Non-resident is eligible to claim the benefit of respective tax treaty;
 - ✓ Non-resident receiving the dividend income is the beneficial owner of such income;
 - ✓ Non-resident does not have Permanent Establishment/ fixed base/ Business Connection / Place of Effective Management, in India in accordance with the applicable tax treaty or Dividend income is not attributable/ effectively connected to any Permanent Establishment or Fixed Base in India (Non-resident having PE in India would need to comply with provisions of section 206AB). For details, refer [Annexure 4](#).
- ✓ Non-resident complies with any

		<p>other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI');</p> <p>✓ Any other documents prescribed under the Act for lower or nil withholding tax, if applicable</p> <p>Please note that 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 of the documents submitted, by Non-Resident shareholder/FPI, by the Company.</p>
Non-Resident member who are tax residents of Notified Jurisdictional Area	30%	N.A.
Non-resident members who are Alternative Investment Fund	10% plus applicable surcharge and cess	<p>Self-Declaration along with copy of PAN card (if available)</p> <p>Click here to download</p>
Members who are covered and notified by Central Government under Section 10(23FE) of the Act	NIL	<p>Copy of the notification issued by CBDT substantiating the applicability of Section 10(23FE) of the Act issued by the Government of India along with self-declaration that the conditions specified in section 10(23FE) of the Act have been complied with.</p> <p>Self Declaration- Click here to download</p>
Non-Resident members obtaining Lower / Nil tax deduction certificate issued by Income Tax Department under Section 195 or Section 197 of the Act	Rate specified in order	Copy of Lower/Nil tax withholding certificate obtained from Income Tax Department

It may be noted that where a non-resident member is reflected as a "**specified person**" as per the Compliance Check Functionality of the Income Tax Department, the taxes will be withheld at a higher rate in accordance with Section 206AB, as mentioned below unless a self-declaration, as mentioned at [Annexure 4](#) above, is provided by such non-resident member.

Provisions applicable for all category of members-

1. Members holding shares under multiple accounts under different residential status/ member category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.
2. Determination of tax rate is subject to necessary verification by the Company of the details of the member as available with the Company / RTA as on 3rd August, 2023 . In this respect, the Company reserves the right to independently verify the PAN number of the member from the utility provided by the Income Tax department for Section 206AB compliance verification and if the same is found contrary to the PAN quoted/ provided, the Company will disregard the PAN and proceed as per the prevalent law.
3. Further, after receipt of any of the above declarations, if the Company on the basis of its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.
4. In case, the dividend income is assessable to tax in the hands of a person other than the registered member as on the 03rd August, 2023, the registered member 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 this regard, a declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income. In case such details are furnished to the Company after 03rd August, 2023, the Company shall reject such documents/ communication.
5. 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 members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
6. Kindly note that the aforementioned documents should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15> only. No communication on the tax determination / deduction shall be entertained after 03rd August, 2023.
7. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

8. The Company will send out the email with a soft copy of the TDS certificate at the members' registered Email ID in due course, post payment of the Dividend. Members will also 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/>
9. 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. This communication shall not be treated as an advice from the Company or its affiliates or its Registrar and Transfer Agent. Members should obtain the tax advice related to their tax matters from a tax professional.

DATA UPDATION FOR SMOOTH PROCESSING-

A. Updation of PAN, email address and other details

Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, registered email addresses, mobile numbers and other details with their relevant Depositories through their Depository Participants. Members holding shares in physical mode are requested to furnish details to the Company's Registrar and Transfer Agent i.e. KFin Technologies Limited. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

B. Update of Bank account details:

We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first member, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with KFin. This will facilitate receipt of dividend directly into your bank accounts. In case the cancelled cheque leaf does not bear the members name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company or the RTA at the above mentioned emails.

Note on Introduction of Section 206AB applicable to all members (resident and non-resident)

Effective from 1st July 2021, Finance Act, 2021 has inserted Section 206AB of the Act as a special provision for TDS in respect of non-filers of income-tax return whereby tax has to be deducted at twice the rate specified in the relevant provision of the Act.

Section 206AB(1) of the Act provides that where TDS is required to be deducted under Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N 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:-

- 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%.

Further, sub section (2) of section 206AB provides that where sections 206AA and 206AB are applicable, i.e. the specified person has not submitted the PAN as well as not filed the income tax return (and the TDS/TCS for the previous year exceeds INR 50,000); the tax shall be deducted at the higher rate between both the said sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in his case is Rs. 50,000 or more in the said previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

The Income Tax Department has also released a Compliance Check Functionality to determine whether a payee is a specified person under section 206AB of the Act and the Company would be relying on the report generated from the said facility for compliance with section 206AB of the Act.

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 he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act.

We seek your co-operation in the matter.