



## PPAP Automotive Limited

B-206A ■ Sector-81 ■ Phase-II ■ Noida 201305 ■ Uttar Pradesh ■ India  
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23<sup>rd</sup> August, 2023

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001  
Symbol: 532934

The Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400051  
Symbol: PPAP

**Subject: Email communication to shareholders regarding amendment in taxation provisions relating to Dividend**

Dear Sir,

The Board of Directors at its meeting held on 19<sup>th</sup> May, 2023 recommended a Final dividend of Rs. 0.5 (5%) per equity share of the face value of Rs. 10 each, for FY 2022-23, subject to the approval of Shareholders at the ensuing 28<sup>th</sup> Annual General Meeting and shall be paid after deduction of tax at the applicable rates.

Pursuant to provisions of the Income Tax Act, 1961 (Act), as amended by the Finance Act 2020, dividends paid or distributed by a company on or after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders.

In view thereof, enclosed is the email communication which has been sent to all the shareholders having their email ID's registered with the Company/ Depositories elaborating the process to be followed.

This communication is also available on the website of the Company at [www.ppapco.in](http://www.ppapco.in).

This is for your information and record.

Thanking you,

Yours faithfully,  
For **PPAP Automotive Limited**

**Pankhuri Agarwal**  
**Company Secretary & Compliance Officer**



**PPAP AUTOMOTIVE LIMITED**

CIN: L74899DL1995PLC073281

Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

Corporate Office: B-206A, Sector 81, Phase II, Noida-201305 (U.P.)

Tel: +91-120-4093901

Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

Date: 23<sup>rd</sup> August, 2023

Name:

DPID/Client ID/Folio no.

Dear Shareholder,

**Subject: Communication in respect to Deduction of Tax at Source on Final Dividend for Financial Year 2022-23**

Trust you and your family are safe and in good health!

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on 19<sup>th</sup> May, 2023, have recommended a final dividend of Rs.0.50 per Equity Share of the Face Value of Rs.10 each (i.e.5%) for the financial year 2022-23, subject to the approval of the Shareholders at the ensuing 28<sup>th</sup> Annual General Meeting ("AGM") of the Company. The dividend will be paid / dispatched within 30 days from the date of the ensuing AGM of the Company.

As you are aware, as per the Income Tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by a company on or after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend, if approved, at the ensuing AGM of the Company.

In view of the above, the Company shall be deducting TDS as per applicable TDS rates on dividend to be paid to Shareholders.

The withholding tax rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents provided by the concerned shareholder to the Company.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

**A. RESIDENT SHAREHOLDERS:**

**A.1 Tax deductible at source for Resident Shareholders**

**No tax will be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during financial year ('FY') 2023-24, does not exceed INR 5,000/-.**

The shareholders are advised to update their PAN with the Depository Participant, if shares are held in demat form, or with the Registrar and Share Transfer Agent of the Company, if shares are held in Physical form. The address of Registrar and Share Transfer Agent (RTA) of the Company is as under:

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058  
Email: delhi@linkintime.co.in

**TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:**

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 with 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.

<b>Sr. No.</b>	<b>Particular</b>	<b>Withholding tax rate</b>	<b>Declaration / Documents required</b>
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Shareholder	10%	No Documents Required
2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	No Documents Required
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"><li>• Self-attested Copy of PAN card</li><li>• Self-attested Copy of lower tax withholding certificate obtained from Income Tax Department</li></ul>

4	Self-declaration that income-tax return for immediately preceding the financial year (i.e. FY 2021-22) have been filed.	Rate would be as follows: <ul style="list-style-type: none"> <li>• If Return filed – 10%</li> <li>• If Return not filed – 20%</li> </ul>	<ul style="list-style-type: none"> <li>• Self-declaration <b>(Please download the Link given as Annexure1, at the end of this communication)</b></li> </ul>
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**A.2 Nil Tax Deductible at Source on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in the below table with the Company on or before September 12, 2023.**

S. No.	Particular	Declaration / documents required
1	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions. <b>(Please download the Link given as Annexure 2 and 3, at the end of this communication)</b></li> </ul>
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc.	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Self-declaration <b>(Please download the Link given as Annexure 1, at the end of this communication)</b>, along with adequate documentary evidence (e.g, registration certificate), to the effect that the no tax withholding is required as per provisions of section 194 of the Act.</li> </ul>
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Self-declaration <b>(Please download the Link given as Annexure 1, at the end of this communication)</b>, along with adequate documentary evidence, substantiating applicability of section 196 of the Act.</li> </ul>
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Self-declaration <b>(Please download the Link given as Annexure 1, at the end of this communication)</b> that AIF's income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.</li> </ul>
5	Any other entity exempt from withholding tax under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Self-declaration <b>(Please download the Link given as Annexure 1 and 4, at the end of this communication)</b> along with adequate documentary evidence, substantiating the nature of the entity</li> <li>• Copy of the lower tax withholding certificate obtained from Income Tax Department <i>(except those covered by Circular No.18/2017)</i></li> </ul>

6	New Pension System Trust	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Self-declaration <b>(Please download the Link given as Annexure 1, at the end of this communication)</b> that Trust's income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882</li> <li>• Copy of registration certificate.</li> </ul>
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**B. NON-RESIDENT SHAREHOLDERS:**

Tax deductible at source for non-resident shareholders shall be as per following table.

S. No.	Category	Withholding tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Self-attested Copy of PAN card (if available)</li> <li>2. Copy of Tax Residency Certificate (TRC) valid as on the AGM date for the FY 2023-24 or the calendar year 2023 obtained from the tax authorities of the country of which the shareholder is resident.</li> <li>3. Self-Declaration in Form 10F <b>(Please download the Link given as Annexure 4, at the end of this communication)</b>. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> With effect from April 1, 2023 to avail the benefit of DTAA. Kindly refer to <b>Annexure 5</b> for the steps of filing Form 10F online. In the absence of a PAN, kindly provide a No-PAN declaration in <b>Annexure 6</b>.</li> <li>4. Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] <b>(Please download the Link given as Annexure 7, at the end of this communication)</b>.</li> </ol>

			<p>5. copy of SEBI registration certificate</p> <p><i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</i></p>
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card (if available)</li> <li>• Self-declaration <b><i>(Please download the Link given as Annexure 8, at the end of this communication)</i></b> along with adequate documentary evidence substantiating the nature of the entity.</li> </ul>
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Self-attested Copy of PAN card (if available)</li> <li>2. Copy of Tax Residency Certificate (TRC) valid as on the AGM date for the FY 2023-24 or the calendar year 2023 obtained from the tax authorities of the country of which the shareholder is resident</li> <li>3. Self-Declaration in Form 10F <b><i>(Please download the Link given as Annexure 4, at the end of this communication)</i></b>. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> With effect from April 1, 2023 to avail the benefit of DTAA. Kindly refer to <b><i>Annexure 5</i></b> for the steps of filing Form 10F online. In the absence of a PAN, kindly provide a No-PAN declaration in <b><i>Annexure 6</i></b>.</li> <li>4. Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] <b><i>(Please download the Link given as Annexure 7, at the end of this communication)</i></b>.</li> </ol> <p><i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to</i></p>

			<i>be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).</i>
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.</li> <li>• Self-Declaration <b><i>(Please download the Link given as Annexure 9 and 10, at the end of this communication)</i></b> that the conditions specified in section 10(23FE) have been complied with</li> </ul>
6	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> <li>• Self-attested Copy of PAN card</li> <li>• Copy of lower tax withholding certificate obtained from Income Tax Department</li> </ul>

The above referred documents duly completed and signed are required to be uploaded at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by quoting your Name, Folio number / Demat Account No. (DP and Client ID both), Number of shares and PAN details **on or before September 12, 2023** in order to enable the Company to determine and deduct appropriate TDS / withholding tax. **Documents shall not be accepted through any means other than upload through the above mentioned link.**

Hence, to enable us to deduct TDS on Dividend at the rate lower than the prescribed rate, the above documents should be submitted **on or before September 12, 2023**. No communication on the tax determination/ deduction shall be entertained in respect of the dividend declared after the above time limit.

**All queries** in this respect shall be sent to the RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or Company at [investorservice@ppapco.com](mailto:investorservice@ppapco.com).

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate. In case, the joint owners wish to get the credit of TDS on their name separately please provide declaration under Rule 37BA of Income Tax Rules 1962. ***(Please download the Link given as Annexure 11, at the end of this communication)***

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

**UPDATION OF BANK ACCOUNT DETAILS:**

In case your Bank details are not updated with records of Depository Participant, if shares are held in demat form, or with the Registrar and Share Transfer Agent of the Company, if shares are held in Physical form, you are requested to kindly get the same updated, to enable the Company to make timely credit of dividend in your bank accounts. We seek your cooperation in this regard.

**Additional Notes:**

1. Shareholders can check the credit of TDS in Form 26AS by login in to e-filing portal of Income Tax.
2. The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> **on or before September 12, 2023** to enable the Company to determine the appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. Any communication in relation to tax rate determination/deduction received post **September 12, 2023** shall not be considered.
3. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.
4. In case of resident shareholders, if the income-tax return for the immediately preceding the financial year is not filed within the time limit prescribed under Section 139(1) of the Income Tax Act, 1961 and the aggregate of the amount of tax deducted at source and tax collected at source in case of such shareholder is INR 50,000 or more in the said previous year, then the Company would withhold tax at higher of the following rates:
  - a. Twice the rate specified in the relevant provisions of the Income Tax Act, 1961
  - b. Twice the rate or rates in force
  - c. 5%
5. **TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:**

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 with 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 the functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhaar linking.



6. 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, the shareholder will be responsible to indemnify the Company and provide the Company with all information / documents and co-operation in any tax proceedings.
7. In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at the highest rate applicable, without any further communication in this regard.
8. In terms of Rule 37BA of Income Tax Rules 1962 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules. ***(Please download the Link given as Annexure 11, at the end of this communication)***

**Link for Annexures as mentioned above:-**

Thanking You,

Yours faithfully,  
For PPAP Automotive Limited

Sd/-

**Pankhuri Agarwal**  
**Company Secretary & Compliance Officer**

**Disclaimer: The above information does not constitute tax or legal advice. In view of the individual nature of the tax implications, each investor is advised to consult his or her own tax advisors with respect to the specific tax implications.**

- To view / download Annexure-1 [click here](#)
- To view / download Annexure-2 [click here](#)
- To view / download Annexure-3 [click here](#)
- To view / download Annexure-4 [click here](#)
- To view / download Annexure-5 [click here](#)
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