

Date: May 31, 2023

BSE Limited

Corporate Service Department,
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Dalal Street,
Mumbai 400 001

Fax: (022) 2272 2039/2272 3121

Scrip ID: ZENSARTECH

Scrip Code: 504067

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th floor,
Plot No. C/1, 'G' block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051

Fax: (022) 2659 8237/2659 8238

Symbol: ZENSARTECH

Series: EQ

Dear Sir/Madam,

Subject: Email communication to shareholders regarding dividend taxation provisions

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 April 1, 2020, shall be taxable in the hands of the shareholders.

In view thereof, enclosed is the email communication sent to the shareholders having their email ID's registered with the Depositories/ Company or Registrar and Transfer Agent (RTA) elaborating key norms and the process to be followed.

The above is for your information. This communication is also available on the website of the Company at www.zensar.com.

Thanking you,

Yours sincerely,

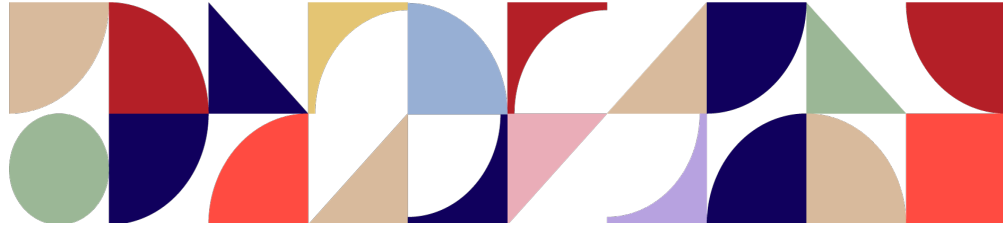
For Zensar Technologies Limited



Gaurav Tongia
Company Secretary

Encl: As above.

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Dear Shareholder,

At the outset, we hope you are healthy and safe.

We take pleasure in informing you that the Board of Directors at its meeting held on May 11, 2023, recommended a Final Dividend of INR 3.50 (175%) per equity share of face value of INR 2 each, for the Financial Year 2022-23 and the same would be payable, if approved by the shareholders at the ensuing 60th Annual General Meeting (AGM) of the Company.

As you are aware that 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 April 1, 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 said dividend, at prescribed rates including applicable surcharge and cess, as notified from time to time.

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

All the shareholders are requested to ensure that their details with reference to valid Permanent Account Number (PAN), Residential status as per the Act i.e. Resident or Non-Resident as applicable for FY 2022-23, Category of their account as per the PAN, email/postal address, Bank Account Details are complete / updated, as applicable, with their account maintained with Depository Participant (in case of Shares held in dematerialised form) and in case of shares held in physical form, complete / updated with KFin Technologies Limited, the Company's Registrar & Share Transfer Agent ("RTA / KFin").

A. For Resident Shareholders: -

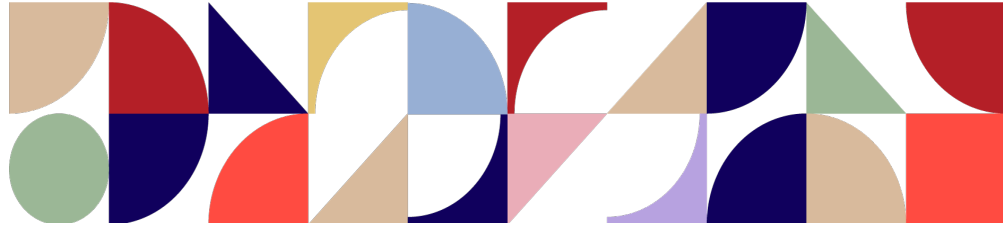
Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt or tax not deductible at source under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend paid/payable to them by the Company during FY 2022-23 does not exceed Rs. 5,000. Tax deduction will be subject to the below requirements:

Where, the Permanent Account Number (PAN) is available and such PAN is valid / operative as per the provisions of the Act:

In accordance with Section 194 of the Act, tax shall be deducted at source from the dividend amount at rate of 10% where shareholders have registered their valid PAN with KFin and at rate of 20% for cases where the shareholders do not have PAN / have not registered their valid PAN. Further, the shareholders are also required to provide their Aadhaar number for verification if it is linked to their PAN. In failure to communicate or link Aadhaar with PAN, the PAN shall be treated as invalid in accordance with the proviso to Sec. 139AA(2) of the Income tax Act and TDS shall get attracted accordingly.

The TDS will be deducted unless exempt under the provisions of the Act and subject to furnishing of following self-certified documents:

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- i. **Insurance companies:** Documentary evidence that the provisions of section 194 of the Act are not applicable to them (self-attested by the competent authority with affixed stamp);
- ii. **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act (declaration form is annexed in the below link);
- iii. **Alternative Investment Fund (AIF) established in India:** Self - declaration that its dividend income is not chargeable under the head 'Profit and Gains of Business or Profession' and exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. (declaration form is annexed in the below link);
- iv. **Entities Exempt under Section 10 of the Act:** In case of resident non-individual shareholders, if the income is exempt under Income Tax Act, 1961, the authorized signatory shall submit the self-declaration duly signed with stamp affixed for the purpose of claiming exemption from tax deduction at source (declaration form is annexed in the below link);
- v. **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income- tax on its income - Documentary evidence that the person is covered under section 196 of the Act;
- vi. **Form 15G/15H in the case of eligible Resident shareholders:** No tax shall be deducted in the case of a resident shareholder if the shareholder provides duly signed Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), provided that all the prescribed eligibility conditions are met (declaration form is annexed in the below link).

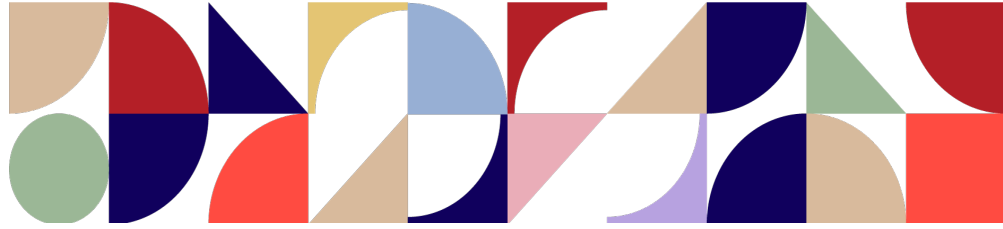
Blank Form in respect of above stated Self declaration may be downloaded from the website of the RTA viz., <https://ris.kfintech.com/form15/> Where a shareholder furnishes lower / nil withholding tax certificate under Section 197, TDS will be deducted as per the rates prescribed in such certificate.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the given timelines.

B. For Non-Resident Shareholders:

1. Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the provisions of the Act, the tax shall be withheld @ 20% (plus surcharge and cess, as applicable) on the amount of dividend payable.
2. As per section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:

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- a. Copy of Permanent Account Number (PAN), if available.
- b. Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during FY 2022-23.
- c. Completed and duly signed Self-Declaration in Form 10F.
- d. Self-declaration of having no taxable presence, fixed based or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder.

The format of the documents referred to in point no. (c) and (d) above can be downloaded from the website of the RTA viz. <https://ris.kfintech.com/form15/>

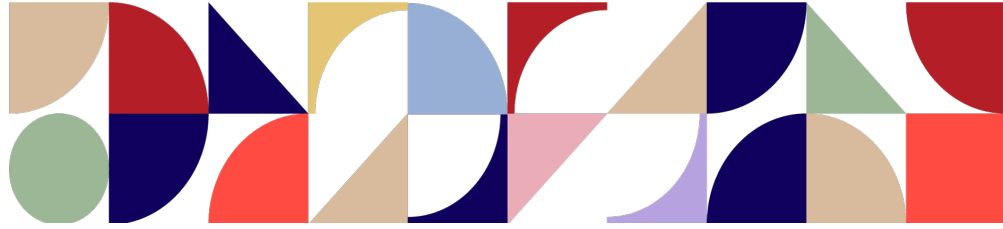
The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of documents submitted by the Non- Resident shareholders.

3. Notwithstanding the above, tax shall be deducted at source/ withholding tax @20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPI"). Such TDS/ withholding tax rate shall not be reduced on account of the application of the lower DTAA rate, if any.
4. Where a shareholder (other than FII and FPI as covered in Para B (3) above) of the Act furnishes valid lower / nil withholding tax certificate under Section 195 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

C. For all Shareholders

The shareholders are requested to upload the aforementioned documents latest by 5 PM (IST), **Friday, June 30, 2023** on the website of the RTA viz. <https://ris.kfintech.com/form15/> and also email them at einward.ris@kfintech.com in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post 5 PM (IST), June 30, 2023.

Documents received by Post or from registered email ID will only be accepted. 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.



Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Act and claim for a credit / appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted. Shareholders, whose valid PAN is updated, will 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/>. The Company shall not be liable to entertain any request from such shareholder and the requisite steps will have to be taken by the shareholder at his / her end in consultation with the Tax Advisor.

Thanking you,

Yours faithfully,
For **Zensar Technologies Limited**

Sd/-
Gaurav Tongia
Company Secretary

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

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

[Click here](#) to download - Declaration from insurance companies

[Click here](#) to download - Declaration from Corporation established by or under a Central Act

[Click here](#) to download - Declaration from Mutual Funds

[Click here](#) to download - Declaration from Alternative Investment Fund

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

[Click here](#) to download Self declaration