



MANAGED
TRAINING
SERVICES

NIIT LEARNING SYSTEMS LIMITED

CIN: L72200HR2001PLC099478

Regd. Office: Plot No. 85, Sector 32, Institutional Area,
Gurugram - 122001 Haryana, India

Tel: +91 (124) 4293000

Email: investors@niitmts.com; Website: www.niitmts.com

Ref: Folio / DP Id & Client Id No: _____

PAN Card No.:-----

Name of the Shareholder: _____

Subject: TDS on Dividend Payment during the Financial Year 2023-24

Dear Shareholder,

Greetings from NIIT Learning Systems Ltd!!

We hope that you and your family are doing well and are safe and healthy.

We are pleased to inform you that the Board of Directors of your Company at its meeting held on **October 30, 2023**, has declared an **Interim Dividend of Rs. 2.50** per share for the Financial Year 2023-24. The said dividend as declared by the Board, will be payable to those shareholders whose names appear in the Register of Members of the company or in the records of the Depositories as beneficial owners of the shares as at the close of business hours on **November 10, 2023 (Record Date)**.

In accordance with the provisions of the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2020, dividend declared and paid by a company shall be taxable in the hands of the shareholders. Further the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates as per the provisions of the Act. We shall therefore be required to deduct tax at source (TDS) at the time of making the payment of the said Dividend. The withholding tax rate would vary depending on the residential status, category of the shareholder and the documents submitted by them and accepted by the Company.

All Shareholders are requested to ensure that the details such as Permanent Account Number (PAN), residential status, category of Shareholder (e.g. Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund - Category I, II or III, etc.), email id, contact number, Bank account details and its IFSC code and address are updated, in their respective demat account(s) maintained with the Depository Participants.

If shareholder is classified as "specified person" as per the provisions of section 206AB of the Act, tax will be deducted at the rate higher of the following:

- Twice the rate specified in the relevant provision of the Income-tax Act; or

- Twice the rate or rates in force; or
- The rate of 5%.

In case of persons, whose due date for filing the Income Tax Return is July 31, 2023 or October 31, 2023, the 'specified person' means a person who has:

- not filed return of income for the previous year 2022-23 relevant to the Assessment year 2023-24; and

- subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000/- or more.

In case of persons, whose due date for filing the Income Tax Return is November 30, 2023, the 'specified person' means a person who has:

- not filed return of income for the previous year 2021-22 relevant to the Assessment year 2022-23; and

- subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000/- or more.

The specified person shall not include non-resident who does not have permanent establishment in India.

For this purpose, the Company will be relying on the information verified by the utility provided and available on the Income Tax website.

This communication summarizes the applicable TDS provisions, as per the Act, for resident and non-resident shareholders, specific categories together with documentation requirements from them to enable us to comply with the TDS related statutory obligations. The applicable rates and documentation requirements from the shareholders are tabulated below:

Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
With Valid PAN (not falling in specific categories mentioned below)	10%	Update/Verify the PAN, Residential Status as per the Act and Category of Shareholder, if not already done, with the depositories (in case of shares held in demat mode) - <i>Shareholders are advised to ensure that their PAN is valid since otherwise, they may suffer a higher TDS under the provisions of the Act.</i>
Specified Person as Section 206AB of the Act (Non-filers of Income Tax Return for FY 2021-22 or 2022-23 as applicable, and amount of tax deducted/collected at source on your PAN is Rs. 50,000 or more in the said year)	20%# (i.e. twice the rate specified under section 194 of the Act)	Resident shareholders who fall under the category of "specified person" as per section 206AB of the Act based on the functionality provided by the CBDT as per Circular No. 11 of 2021 dated 21 June 2021. <i>The Company shall run the functionality available on the income-tax portal to check the status of all the shareholders to determine the 'specified persons' and the results given by the portal shall be adopted for complying with the TDS obligations.</i>
Without PAN/ Invalid PAN	20%#	N.A.
Submitting Form 15G/ Form 15H	NIL	Duly verified Form 15G or 15H is to be furnished along with self-attested copy of PAN card. (This form can be

		<p>submitted only in case the shareholder's tax on estimated total income for FY 2023-24 is Nil).</p> <p>The Forms can be downloaded from the link given at the end of this communication. (Refer Annexure 1 for Form 15G and Annexure 2 for Form 15H)</p>
Certificate under Section 197 of the Act	Rate provided in the Certificate	Lower/NIL withholding tax certificate obtained from tax authority. 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 FY 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. (Refer Annexure 3)
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. (Refer Annexure 3)
Any person for or on behalf of New Pension System – Trust under clause (44) of Section 10 of the Act	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Section 10 (44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card(Refer Annexure 3)
Alternative Investment Fund (AIF) established in India	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI. (Refer Annexure 3)
Corporation established by or under a Central Act	NIL	Declaration that it is a corporation established by or under a Central Act whereby income tax is exempt on the income and accordingly, covered under section 196 of the Act along with self-attested copy of PAN card, and registration certificate and relevant extract of the section whereby the income is exempt from tax.
Other Resident Non-Individual Shareholders	NIL	Shareholders who are exempted from the provisions of TDS as per Section 194 or Section 196 of the Act or covered by CBDT Circular No. 18/ 2017 dated May 29, 2017, provided they submit an attested copy of the valid PAN along with the documentary evidence in relation to the same.

#Tax would not be deducted on payment of dividend to resident Individual shareholder if total dividend to be paid/ likely to be paid in FY 2023-24 does not exceed Rs. 5,000/-.

Non-Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
<p>Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)</p>	<p>20% (plus applicable surcharge and cess) Or Lower rate in DTAA, if relevant documents are furnished</p>	<p>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 Agents - KFin Technologies Limited Unit: NIIT Learning Systems Limited Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032,. Provide declaration whether the investment in shares has been made under the general FDI route or under the FPI route. The declaration format can be downloaded from the link given at the end of this communication.</p> <p>A lower TDS rate as per relevant Double Taxation Avoidance Agreements ("DTAA") may also apply, if the following documents are furnished:</p> <ol style="list-style-type: none"> 1. Self-Attested copy of Indian Tax Identification number (PAN). 2. Form 10F generated from Income tax e-filing portal. Refer Annexure-4 for steps to generate Form 10F. 3. Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2023 to March 2024 obtained from the tax authorities of the country of which the shareholder is a resident. 4. Self-Declaration Form – (Refer Annexure 5) <p>The declaration format can be downloaded from the link given at the end of this communication.</p>
<p>Other Non-resident shareholders</p>	<p>20% (plus applicable surcharge and cess)</p>	<p>Update/Verify the PAN, legal entity status 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 Agents KFin Technologies Limited Unit: NIIT Learning Systems Limited Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telangana (in case of shares held in physical mode).</p>
<p>Higher rate prescribed under section 206AB of the Act (Shareholder having PE in India who have not filed Income Tax Return for FY 2021-22 or 2022-23 as applicable and amount</p>	<p>40% (plus applicable surcharge and cess) [i.e., Twice the prescribed rate</p>	<p>Non-Resident shareholders who fall under the category of "specified person" as per section 206AB of the Act based on the functionality provided by the CBDT as per Circular No. 11 of 2021 dated 21 June 2021.</p> <p><i>The Company shall run the functionality available on the income-tax portal to check the status of all the shareholders to determine</i></p>

of tax deducted is Rs 50,000 or more	applicable to Non-Resident]	<i>the 'specified persons' and the results given by the portal shall be adopted for complying with the TDS obligations.</i>
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder	Tax Treaty Rate**	<p>In order to apply the lower Tax Treaty rate, all the following documents would be required:</p> <ol style="list-style-type: none"> 1. Self-Attested copy of Indian Tax Identification number (PAN). 2. Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2023 to March 2024 obtained from the tax authorities of the country of which the shareholder is a resident. Where only TRC for calendar year 2023 is available, provide declaration that the shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2023-24. Further, only TRC for calendar year 2023 will be considered a valid document for providing treaty benefit. 3. Form 10F generated from Income tax e-filing portal. <p>(Refer Annexure-4 for steps to generate Form 10F..)</p> <ol style="list-style-type: none"> 4. Self-declaration from Non-resident (Refer Annexure 5) <p>Application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon completeness of the documentation and review of the same by the Company.</p> <p>The declaration format can be downloaded from the link given at the end of this communication.</p>
Certificate u/s 197 (i.e. lower or NIL withholding certificate)	Rate provided in the Certificate	Lower/NIL withholding tax certificate obtained from tax authority. 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 FY 2023-24 and should cover the dividend income.
Tax resident of any notified jurisdictional area	30%	Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act.

Shareholders having multiple accounts under different status / category:

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 are held under a PAN will be considered on their entire holding in different accounts.

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.

The aforesaid documents, as applicable, are required to be sent to Company at email Id. Investors@niitmts.com or, the Registrar and Transfer Agent ('RTA') at einward.ris@kfintech.com on or before **November 10, 2023** to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post **November 10, 2023**, shall be considered for payment of the Interim Dividend. It is advisable to submit the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

SUBMISSION OF TAX-RELATED DOCUMENTS: The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, etc. can be uploaded on the link <https://ris.kfintech.com/form15> on or before **Friday, November 10, 2023** ('Cut-off date') upto 5:00 P.M. (IST), to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post 5:00 P.M. (IST) of **Friday, November 10, 2023** shall not be considered.

If the dividend income is taxable in the hands of any person other than the recipient of the dividend, then the requisite details by way of a declaration in **Annexure 6** should be communicated to the Company/RTA by **November 10, 2023**.

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.

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 Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.

If the PAN is not as per the database of the Income-tax Portal, it would be considered an invalid PAN and higher TDS, as per law, may be done.

In the event of a mismatch in the category of shareholder as per the register of members and as per fourth letter of PAN, the Company would consider fourth letter of PAN for applying the surcharge rate. We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend and completion of statutory formalities. In addition, to verify the tax deduction, the shareholders can also check their Form 26AS/ Annual Information Statement (AIS) from their e-filing account at [Online 26AS e-filing Website \(incometaxindia.gov.in\)](https://www.incometaxindia.gov.in)

We seek your co-operation in the matter.

Thanking you,

For **NIIT Learning Systems Limited**

Sd/-

Deepak Bansal

(Company Secretary)

The declaration Forms can be downloaded from the below link:

TDS on Dividend – TDS exemption forms

- Form 15G- Applicable to any person other than a company or a firm - *Annexure 1*
- Form 15H- Applicable to an Individual who is 60 years and above - *Annexure 2*
- Format of Self-declaration for claiming exemption- *Annexure 3*
- Steps to generate Form 10F from Income Tax e-filing portal- *Annexure 4*
- Declaration for non-residents for claiming treaty benefits- *Annexure 5*
- Declaration for TDS credit to another person - *Annexure 6*

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.

In case you require any clarification please do write to investors@niitmts.com or at above mentioned address.

This is a System generated email, please do not respond to the Id from which you receive this email.