



MANAGED
TRAINING
SERVICES

NIIT Learning Systems Limited
Registered Office: Plot No. 85, Sector 32,
Institutional Area, Gurugram - 122001, Haryana, India
CIN: L72200HR2001PLC099478
Phone: +91 (124) 44293000; E-mail: investors@niitmts.com
Website: www.niitmts.com;

Subject: TDS on Dividend to be paid during the Financial Year 2024-25

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

Name of the Shareholder: _____

Dear Shareholder,

We are pleased to inform you that the Board of Directors of your Company at their meeting held on **May 22, 2024** have proposed **Final Dividend of Rs. 2.75 per** share for the Financial Year 2023-24 which is subject to approval by shareholders in the forthcoming Annual General Meeting on September 24, 2024. The record date for the purpose of determining the entitlement of the shareholders for the Final Dividend has been fixed as September 5, 2024.

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 and the Company is required to deduct tax at source (TDS) from Final dividend to be 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 Final 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.

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%.

A specified person refers to a person who satisfies the following two conditions: -

- Who has 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 sub-section (1) of section 139 has expired. For example, for the current financial year 2024-25, previous years would be 2023-24; and
- The aggregate of tax deducted at source (TDS) and tax collected at source (TCS) is 50,000 INR or more in said previous year.

Note: The specified person shall not include a non-resident who does not have a permanent establishment in India – A No Permanent Establishment in India declaration should be submitted by the Non-resident.

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). Shareholders are advised to ensure that PAN is valid, otherwise TDS at higher rate would be deducted.
Inoperative Pan	20% (twice the rate given in section 194)	Resident shareholders who fall under the category of "specified person" as per section 206AB of the Act. 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.
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 submitted only in case the shareholder's tax on estimated total income for FY 2024-25 is Nil). 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)
Certificate under Section 197 of the Act	Rate provided in the Certificate	NIL withholding tax certificate issued by Income tax authorities. 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 2024-25 and should cover the dividend income.
An Insurance Company as specified under Sec 194 of the Act	NIL	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 issued by the relevant authority. (Refer Annexure 3)
New Pension System (NPS) Trust	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 2024-25 does not exceed Rs. 5,000/-*

Non-Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) Or Lower rate if prescribed in DTAA, if relevant documents are furnished	Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories. 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. A lower TDS rate as per relevant Double Taxation Avoidance Agreements ("DTAA") may also apply, if the following documents are furnished: 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 2024 to March 2025 obtained from the tax authorities of the country of which the shareholder is a resident. 4. Self-Declaration Form – (Refer Annexure 5) The declaration format can be downloaded from the link given at the end of this communication.
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	Update/Verify the PAN and legal entity status as per the Act, if not already done, with the depositories.
Shareholder having PE in India who have not filed Income Tax Return for FY 2023-24 (AY 2024-25) and amount of tax deducted/ collected at source on your PAN is Rs. 50,000 or more in the said year.	40% (plus applicable surcharge and cess) [i.e., Twice the prescribed rate applicable to Non-Resident]	Non-Resident shareholders who fall under the category of "specified person" as per section 206AB of the Act. <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>
Lower rate prescribed under the tax treaty which applies to the non-resident shareholder	Tax Treaty Rate**	In order to apply the lower Tax Treaty rate, all the following documents would be required: 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 2024 to March 2025 obtained from the tax authorities of the country

		<p>of which the shareholder is a resident. Where only TRC for calendar year 2024 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 2024-25. Further, only TRC for calendar year 2024 will be considered a valid document for providing treaty benefit.</p> <p>3. Form 10F generated from Income tax e-filing portal. (Refer Annexure-4 for steps to generate Form 10F.)</p> <p>4. Self-declaration from Non-resident (Refer Annexure 5)</p> <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>In case of a shareholder being a tax resident of Singapore, please furnish the letter issued by the competent authority demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).</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 tax 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 2024-25 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.

***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.*

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 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 September 14, 2024 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post September 14, 2024 shall be considered for payment of the Final 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.

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 September 14, 2024.

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.

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 also request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form.

We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course on your request, 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 \(incometaxindia.gov.in\)](http://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 link: [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.