



Mastek Limited
#106,107 SDF-IV Seepz, Andheri (East),
Mumbai 400096, Maharashtra, India

T +91 22 6722 4200
F +91 22 6695 1331
W www.mastek.com

SEC/68/2020-21

October 31, 2020

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| Listing Department BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001 Tel No. 022- 22723121 Fax No. 022- 22721919 SCRIP CODE: 523704 | Listing Department The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel No.: 022- 26598100 Fax No. 022- 26598120 SYMBOL: MASTEK |
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Dear Sir(s)/Ma'am(s),

Subject: Shareholders Communication - Deduction of tax at source on dividend

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 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 payment of the Interim Dividend of Rs. 5.50/- per equity share, as approved by the Board of Directors at its meeting held on October 29, 2020.

In this regard, please find attached general communication sent to the shareholders regarding deduction of tax at source on Interim Dividend, whose Email IDs are registered with the Company or Depositories.

The said communication is also available on the website of the Company viz. www.mastek.com

This is for your information and records.

Thanking you,

For Mastek Limited


Dinesh Kalani
Company Secretary



Encl: AA

October 30, 2020

Dear Shareholder(s),

We are pleased to inform you that the Board of Directors of the Mastek Limited (the Company) at its Meeting held on Thursday, October 29, 2020 have approved an Interim Dividend of Rs.5.50 (110%) per equity share of face value of Rs. 5/- each for the financial year 2020-2021. The said Interim Dividend will be payable to those shareholders whose names appear in the 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 TUESDAY, November 10, 2020 (**Record date**).

As per the Finance Act 2020, dividend paid and distributed by a company is taxable in the hands of shareholders with effect from April 1, 2020. Therefore, Company is required to deduct TDS at the rates applicable to each category of shareholder.

As per the latest information available with the depositories (NSDL/CDSL) or by the Registrar and Share Transfer Agent (KFin Technologies Private Limited), you are classified either as **Resident Shareholder and subclassified as Company / Firm / HUF / AOP / Trust** based on the Permanent Account Number (PAN). If you remain as a shareholder on record date, the dividend receivable by you would be taxable under the Income Tax Act, 1961.

If there is any change in the above information, you are requested to update your records such as tax residential status, permanent account number (PAN) and register your email address, mobile numbers and other details with your relevant depositories through your depository participants in case you are holding shares in dematerialised form and if you are holding shares in physical mode, you are requested to furnish details to the Company's Registrar and share transfer agent i.e. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited).

This communication summarises the applicable TDS provisions, as per the Income Tax Act, 1961, for Resident and Non-Resident shareholder categories.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by the Company, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities. No claim shall lie against the Company for such taxes deducted.

The aforementioned documents (duly completed and signed) are required to be uploaded with Company's RTA KFin Technologies Private Limited at <https://ris.kfintech.com/form15> or emailed to einward.ris@kfintech.com on or **before November 12, 2020** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after **November 12, 2020, 5:00 PM (IST)**.

The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities as per the prescribed timelines. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at

<https://incometaxindiaefiling.gov.in>

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 Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Further, shareholders who have not registered their email address are requested to register the same with our RTA in case of physical shareholding and with Depository Participant ('DP') in case of demat holding:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to "RTA" einward.ris@kfintech.com; and
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to your DP.

1. For resident shareholders

The rate of Tax Deduction at Source (TDS) as per the Income Tax Act for Resident shareholders with valid PAN is 7.5% and 20% in case of invalid PAN (if dividend exceeds Rs. 5,000).

In case your income is subject to lower rate of TDS, or is exempt under Income Tax Act, 1961, you are requested to submit the same duly signed by the authorized signatory at the shareholder portal on or before 5.00 PM (IST) of **November 12, 2020**:

i. Tax Deductible at Source for Resident Shareholders

| Sr. No. | Particulars | Rate of Deduction of Tax at Source | Documents Required (if any) |
|---------|--|------------------------------------|--|
| 1 | Valid PAN updated in the Company's Register of Members | 7.5% | No document required (if no exemption is sought) |
| 2 | No PAN/Valid PAN not updated in the Company's Register of Members | 20% | No document required (if no exemption is sought). |
| 3 | Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act | Rate specified in the Certificate | Lower tax deduction certificate obtained from Income Tax Authority |

- ii. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents mentioned in column no. 4 of the below table with the Company/ Company's RTA:

| Sr. No. | Particulars | Rate of Deduction of Tax at Source | Documents Required (if any) |
|---------|---|------------------------------------|--|
| 1 | Submission of form 15G/15H | NIL | Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions. Please download Form 15G Click here Form 15H Click here |
| 2 | Securitisation Trust | NIL | Copy of registration/ document evidencing the shareholder being a securitisation trust (as defined in clause (d) of the Explanation below section 115TCA of the Act). |
| 3 | Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc. | NIL | Documentary evidence that the said provisions are not applicable. |
| 4 | Shareholder covered u/s 196 of the Act such as Government, RBI, corporations established by Central Act & mutual funds specified under section 10(23D) of the Act | NIL | Documentary evidence for coverage u/s 196 of the Act |
| 5 | Category I and II Alternative Investment Fund | NIL | SEBI AIF registration certificate to claim benefit under section 197A (1F) read with section 10(23FBA) of the Act |
| 6 | <ul style="list-style-type: none"> ▪ Recognised provident funds ▪ Approved superannuation fund ▪ Approved gratuity fund | NIL | Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) |

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| 7 | National Pension System Trust referred to in section 10(44) of the Act | NIL | No TDS as per section 197A (1E) of the Act |
| 8 | PAN is not available or invalid PAN | 20% | - |
| 9 | Shareholder exempted from TDS provisions in terms of any CBDT Circular or notification | NIL | Relevant documentary evidence in relation to the same and PAN (self-attested) |

2. For non-resident shareholders:

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 relevant provisions of the Act, the tax shall be withheld at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA" or "Treaty") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

1. Tax deducted at source on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following documents with the Company / Company's RTA or **before 5.00 PM (IST) of November 12, 2020**.

| Sr. No. | Particulars | Rate of Deduction of Tax at Source | Documents Required (if any) |
|---------|---|---|---|
| 1 | Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess) | FPI registration number / certificate. |
| 2 | Other Non-resident shareholders | 20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial | To avail beneficial rate of tax as per treaty following documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. Self-certified PAN 3. Form 10F filled & duly signed Click here to download - 10F |

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| | | | <p>4. Self-declaration for non-existence of permanent establishment/ fixed base in India.</p> <p>5. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.</p> <p>Click here to download Self declaration for foreign corporate shareholders Click here to download Self declaration for other than foreign corporate non - resident shareholders</p> |
| 3 | Indian Branch of a Foreign Bank | NIL | <p>Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority</p> <p>Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank</p> |
| 4 | Availability of Lower /NIL tax deduction certificate issued by Income Tax Department u/s 197 of the Act | Rate specified in the Certificate | Lower tax deduction certificate obtained from Income Tax Authority |

3.

** Please note that benefit of Double Tax Avoidance Agreement (DTAA) shall not be provided to FIIs and FPIs*

*** 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 of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.*

**** Tax Identification Number of the shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which*

the shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident.

4. General Instructions:

In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to its Members. In this regard, Members holding shares in electronic form are requested to furnish/Update their bank details to/with their DPs. Members holding shares in physical form are requested to furnish their bank details, alongwith a photocopy of a blank cancelled cheque pertaining to your bank account to the RTA, M/s KFin Technologies Private Limited at below address-

KFin Technologies Pvt.Ltd.

(Unit - Mastek Limited)

Selenium Building, Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Serilingampalli, Hyderabad - 500 032.

Disclaimer: This Communication shall not be treated as an advice from the Company. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

Should you seek any further clarification, please write to us at inward.ris@kfintech.com or investor_grievances@mastek.com

Yours Truly,

For Mastek Limited

Dinesh Kalani

Company Secretary