TAX DEDUCTION ON DIVIDEND

As per the Income Tax Act, 2025, ("IT Act"), dividends paid or distributed by a Company after April 1, 2020, is taxable in the hands of the shareholders. The Company is, therefore required to deduct tax at source ("TDS") from dividend paid to the members at the applicable rates.

TDS rate may vary depending on the residential status of the shareholder and the documents submitted to and accepted by the Company under the provisions of the Act.

Resident Individual Members:

For Financial Year 2026-27 taxes shall be deducted at source under Section 393 of the IT Act as follows:-

Particulars	Applicable Tax Rate
Members having valid PAN	10%
Members not having PAN / invalid PAN	20%
Submission of lower/nil tax deduction certificate issued by Income Tax Department u/s 395 of Income Tax Act, 2025	Rate specified in the certificate

Kindly note that no tax shall be deducted on the dividend payable to a Resident Member (Individual), if the total dividend to be received by them during Financial Year 2026-27 does not exceed Rs. 10,000. Where the PAN is either not registered or is invalid, tax shall be deducted at source at a rate which is higher of the prescribed TDS rates or @ 20%.

Resident Non Individual Members :

In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 393(1)(7) or Section 393(4)(10) or Section 393(6)(a) of the Act, no tax shall be deducted at source ('NIL rate'), subject to submission of sufficient documentary evidence thereof, along with exemption notification, if any, as per the relevant provisions of the Income Tax Act, to the satisfaction of the Company. This illustratively includes following:

i. Insurance Companies: Public Sector & other insurance companies: A declaration that it has a full beneficial interest with respect to the shares owned by it along with a self-attested copy of PAN card.

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ii. Mutual Funds: Self-declaration that they are specified and covered under Sch. VII (21) of the Act along with a self-attested copy of PAN card and registration certificate.

iii. Alternative Investment Fund ('AIF'): AIF established/incorporated in India - Self-declaration that its income is exempt under Sch. V(1) of the Act and they are governed by SEBI Regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.

iv. 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: Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.

v. Other Resident Non-Individual Shareholders: Shareholders who are exempted from the provisions of TDS as per Section 393(1)(7) of the Act or who are covered under Section 393(4)(10) of the Act shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence in relation to the same.

Note: Application of NIL rate at the time of tax deduction / withholding on the dividend is subject to completeness and satisfactory review by the Company/RTA, of the documents submitted by such Member. Notwithstanding anything contained above, in case where the shareholders provide a certificate under Section 393(6)(a) of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, based on submission of self-attested copy of the same.

Non-Resident Members:

Availing Benefits of DTAA by Non-Resident Members:

Taxes are required to be withheld in accordance with the provisions of Section 393 of the IT Act as per the rates in force. As per the relevant provisions of the IT Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, certificate issued under Section 395 of the IT Act is given by non-resident shareholders for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Pursuant to provision of Section 159 of the Act, the non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the non-resident member will have to provide the following:

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a. Self-attested copy of Permanent Account Number (PAN) if allotted, by the Indian Income Tax Authorities.

b. Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority or tax authority of the country of which Member is tax residence, evidencing and certifying Member's tax residency status in the country of residency during the Financial Year 2026-27;

c. Electronically Filed Form 41 on Income Tax Portal

d. Self-declaration in the format enclosed, certifying that -

   i. Member is and will continue to remain a tax resident of the country of its residency during the Financial Year 2026-27;

   ii. Member does not have Permanent Establishment in India in accordance with the applicable Tax Treaty (of FY 2026-27 or later)

   iii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

   iv. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

   v. Member is the ultimate beneficial owner of the share(s) held in the Company as well as the dividend arising from such shareholding; and the member has the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person;

   vi. Member declares that it does not have and will not have any taxable presence, fixed base or permanent establishment in India as per the said tax treaty during the financial year 2026-27; and

   vii. Member hereby confirms that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

It is recommended that members should independently satisfy its eligibility to claim Double Tax Avoidance Treaty benefit including meeting of all conditions laid down by Double Tax Avoidance Treaty.

Kindly note that 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 and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

Dividend paid to Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPI")

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Tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to FII and FPI. For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FII and FPI since the provisions of the Act do not provide so;

Tax resident of any notified jurisdictional area

Where any member is a tax resident of any country or territory notified as a notified jurisdictional area under Section 176 of the Income Tax Act 2025, 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 member in accordance with Section 176 of the Act.

Notwithstanding anything contained above, in cases where the shareholders provide a certificate under Section 393(6)(a) of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Transferring credit to the beneficial owner:

In cases where the member is merely a custodian of the shares and, accordingly, not the beneficial owner of the dividend payable in respect thereof, then, in order to transfer the credit of TDS to the beneficial owner of dividend income, the shareholder may provide a declaration prescribed by Rule 203 of the Income-tax Rules, 2026. The aforesaid declaration shall contain (i) name, address, PAN and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person. We request you to provide any such details latest by 11:59 p.m. (IST) on Friday, August 21, 2026.

General instruction for Members:

1. Shareholders are requested to ensure Aadhaar number is linked with PAN. In case of failure of linking Aadhaar with PAN, PAN shall be considered inoperative, and in such scenario, tax shall be deducted at higher rate of 20%.
2. The Shareholders holding shares under multiple accounts under different status/categories and single PAN, may note that higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
3. To receive dividend amount directly in bank account, we request you to update your bank account details and Permanent Account Number (PAN) with Depository Participant.
4. The tax credit can also be viewed in Form 26AS by logging in with the credentials (with valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax department of

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India https://www.incometax.gov.in/iec/foportal/. The Company shall arrange for the issuance of the TDS certificate, if required, on a case-to-case basis.In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. However, no claim shall lie against the Company in respect of such taxes deducted.

No claim shall lie against the Company for such taxes deducted.

In the event of any demand for income tax (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any relevant proceedings.

Submission of Tax Related Documents:

Resident & Non-Resident Shareholders

The aforesaid forms/ declarations, as may be applicable, can be downloaded at https://www.zentechnologies.com/investor-information and Kindly note that the required documents should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent at https://ris.kfintech.com/form15/forms.aspx. Or mail the scanned documents to einward.ris@kfintech.com / dividend.tax@zentechnologies.com on or before Friday, August 21, 2026, upto 11.59 pm (IST), to enable the Company/ RTA to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post due date shall not be considered.

It may be further noted 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, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. However, no claim shall lie against the Company for such taxes deducted.