

QUESS CORP LIMITED
(CIN: L74140KA2007PLC043909)
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Date: 06/05/2021

Dear Shareholder,

Subject: Intimation in respect to Deduction of tax on Interim Dividend for FY 2020-21

With effect from 1 April 2020, as per Income Tax Act, 1961 ('the Act'), dividend income is taxable in the hands of the recipient shareholders. Also, the Companies need to withhold tax at source from dividends paid to shareholders.

The Board of Directors of Quess Corp Limited ('the Company') has declared an interim dividend of Rs. 7/- per share on the equity shares of the Company having face value Rs. 10/- each.

Tax will be deductible on such dividend payment, if you are a shareholder as on May 13, 2021, being the record date fixed for the purpose of dividend payment.

The dividend would be paid on or after May 20, 2021.

1. For resident shareholders:

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempted under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Form 15G and 15H can be Uploaded by accessing the following link: <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. Please note that all fields are mandatory and Company may at its sole discretion reject form if it does not fulfil the requirement of law.

Permanent Account Number ("PAN") is mandatorily required. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. 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 held under a PAN will be considered on their entire holding in different accounts.

2. In order to provide exemption from withholding of tax, the following organization's must provide a self-declaration as listed below:

- **Insurance companies:** A declaration that they are beneficial owners of shares held (along with self-attested copy of PAN card and registration certificate);
- **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested by the competent authority);
- **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempted under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) should be provided.
- **New Pension System Trust:** A declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act along with copy of registration documents (self-attested);
- **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.

3. For Non-resident shareholders:

Tax is required to be withheld in accordance with the provisions of Section 195/Section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 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") 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:

- Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
- Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
- Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- Self-declaration by the non-resident shareholder as to:
 - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty; and
 - Shareholder being the beneficial owner of the dividend income to be received on the equity shares of the Company.
- In case of Foreign Institutional Investors and Foreign Portfolio Investors copy of SEBI registration certificate.
- In case of shareholder being tax resident of Singapore proof of satisfying requirement of Article 24 - Limitation of Relief should be provided.

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 of the documents submitted by non-resident shareholders.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents with a duly certified copy of Board Resolution (wherever applicable) latest by May 13, 2021 at quesscorptaxexemption@linkintime.co.in or upload their documents on the link as mentioned above.

Note:

All the above referred tax rates shall be duly enhanced by the applicable surcharge and Cess.

To summarise the abovementioned details, dividend will be paid after deducting the tax at source as under:

- NIL for resident shareholders receiving dividend upto Rs. 5000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for resident shareholders in case copy of PAN card is provided / available.
- 20% for resident shareholders if copy of PAN card is not provided / not available.
- 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 held under a PAN will be considered on their entire holding in different accounts.
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted.
- Lower/NIL TDS on submission of self-attested copy of the certificate issued under section 197 of the Act.

4. Submission of Tax related documents:

Shareholders are requested to send the scanned copies of the documents mentioned above at the Email Id as mentioned above or upload their documents on the link as mentioned above. No communication on the tax determination / deduction shall be entertained after May 13, 2021.

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 by consulting your tax advisor. No claim shall lie against the Company for such taxes deducted. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account.

In terms of Rule 37BA of Income Tax Rules 1962 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules. **Company shall not accept any such declaration and amend its TDS return after two months of making payment of dividend.**

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at - rnt.helpdesk@linkintime.co.in

PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS BY SHAREHOLDERS:-

I. Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) .

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

II. For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

III. For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. (This will only help us in getting with touch with them in case of reminders emails for unclaimed dividend if any further the data will be only use as referral data and will not be updated in the system)

iv. Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Private Limited, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e - mail id along with the he copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the shareholder to submit the request letter duly signed.

Link intime will verify the documents upload and will only take on records for all valid cases.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

Shareholders are further requested to complete necessary formalities with regard to their Bank accounts attached to their Demat account for enabling the Company to make timely credit of dividend in respective bank account especially in view of prevailing lock down due to COVID 19.

We seek your co-operation in the matter.

Thanking you.

Yours faithfully,
For Quess Corp Limited

Sd/-
Kundan K Lal
Company Secretary and Compliance Officer

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.

Note: Please don't reply to this e-mail, as this e-mail id is not monitored.