



ZEE ENTERTAINMENT ENTERPRISES LIMITED

Regd Office: 18th floor, A Wing, Marathon Futurex N M Joshi Marg, Lower Parel, Mumbai 400 013

Tel: 91 22 7106 1234; **Fax:** 91 22 2300 2107

CIN: L92132MH1982PLC028767

Website: www.zee.com

February 14, 2022

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

Dear Mr./Ms. _____

Subject: Deduction of tax at source on Redemption and pro rata Dividend Payment

As per the terms of issuance of 6% Cumulative Redeemable Non- Convertible Preference Shares of Rs 10/- each, which were issued as Bonus to the then existing equity shareholders, the redemption of these preference shares is also considered as dividend under section 2(22) of the Income Tax Act, 1961.

The 5th tranche as full and final redemption of these Preference Shares is due on March 5, 2022. Accordingly, the Preference Share Holders will receive Rs 2/- per share and pro rata dividend of Rs. 0.11145 on the redemption value. On the said redemption, these preference shares will be fully redeemed and extinguished.

As mentioned in the scheme, the Company shall undertake the redemption under section 55 of the Companies Act, 2013 which was erst-while section 80 of then Companies Act, 1956.

As per the provisions of Income-tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company on or after April 1, 2020 are taxable in the hands of shareholders.

Therefore, the Company will be required to deduct tax at source (TDS) on such dividend as under:

In case of Resident Shareholder:

Particulars	Applicable Rate	Documents required (if any)
With PAN	10%	Update/Verify the PAN, and the residential status as per 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 (in case of shares held in physical mode).

Without PAN/ Invalid PAN	20%	
Submitting Form 15G (person other than company or firm/ Form 15H (individual above age of 60 years)	NIL	Duly signed Form 15G or 15H (as may be applicable in duplicate) 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 2021-22 is below limit) The Forms can be downloaded from the link given at the end of this communication.
Submitting Order under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority. Required to furnish a self-attested copy of the same. The certificate should be valid for the FY 2021-22 and should cover the dividend income.
Insurance Companies for whom Sec 194 of the Act is not applicable	NIL	Documentary evidence that the said provisions are not applicable
Person covered u/s 196 of the act (e.g, Mutual Fund, Govt.	NIL	Documentary evidence that the person is covered under said Section 196 of the Act
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 (OR) Documentary evidence that the person is covered by Notification No. 51/2015 dated June 25, 2015

Please note that notwithstanding the above, tax would not be deducted on payment of dividend to resident individual shareholder, if total dividend paid/payable during FY 2021-22 does not or is not likely to 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)	None
Other Non-resident shareholders	20% (plus applicable surcharge and cess)	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

	<p style="text-align: center;">OR</p> <p>Rate under relevant Double Taxation Avoidance Agreement (Whichever is lower)</p>	<p>Transfer Agents (in case of shares held in physical mode).</p> <p>In order to apply the Tax Treaty rate, ALL the below mentioned documents would be required:</p> <ol style="list-style-type: none"> 1. Self-Attested copy of Indian Tax Identification number or PAN, if available 2. Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2021 to March 2022 obtained from the tax authorities of the country of which the shareholder is a resident. 3. Self-declaration in Form 10F duly filled and signed. The declaration format can be downloaded from the link given at the end of this communication. 4. Self-declaration from Non-resident, primarily covering the following: <ul style="list-style-type: none"> - Non-resident is eligible to claim the benefit of respective tax treaty; - Non-resident receiving the dividend income is the beneficial owner of such income; - Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India; - Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI'); - Non-resident does not have a place of effective management in India. <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>
<p>Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)</p>	<p>Rate provided in the Order</p>	<p>Lower/NIL withholding tax certificate obtained from tax authority. The certificate should be valid for the FY 2021-22 and should cover the dividend income.</p>

Applicable TDS rates in the cases of non-filers of Return of Income

As per the provisions of Section 206AB of the Act, inserted by Finance Act, 2021, if any TDS is deductible from a “specified person”, then, TDS would be deducted at higher of the following rates-

- (a) at twice the rate specified in the relevant provision of the Act;
- (b) at twice the rate or rates in force;
- (c) at the rate of 5%.

For the above purpose, “specified person” means a person, being a resident or a non-resident having a Permanent Establishment (PE) in India,- (i) who has not filed Return of Income for two consecutive assessment years relevant to the financial years immediately preceding the financial year in which TDS is deductible (for which time limit for filing Return of Income has expired); and (ii) the aggregate of TDS deducted and TCS collected in the case of such person is Rs. 50,000 or more in each of the aforesaid two financial years. Accordingly, if, at the time of deducting TDS, the status of a resident shareholder or a non-resident shareholder (having a PE in India), as shown by the system of the Income-tax Department, is “specified person”, TDS would be deductible at twice the normally applicable rate or 5%, whichever is higher. Further, if owing to non-availability of PAN of a shareholder who is a “specified person” under section 206AB of the Act, the provisions of section 206AA are also applicable, TDS would be deductible at the rate applicable under section 206AA or under section 206AB of the Act, whichever is higher. In the cases of resident shareholders, if PAN of a shareholder is not updated, it shall be assumed that the shareholder is a “specified person” for the purpose of section 206AB of the Act and TDS would be regulated accordingly.

It may be noted that, the provisions of Section 206AB shall not be applicable in the cases of non-resident shareholders not having a PE in India. For this purpose, the expression PE (i.e., permanent establishment) includes a fixed place of business through which the business of the non-resident is wholly or partly carried on.

Thus, if a non-resident shareholder, who is otherwise liable for higher TDS under Section 206AB, submits a duly signed and verified declaration confirming that he/she does not have a PE in India, the provisions of Section 206AB would not come into play and TDS would be deductible at the normally applicable rate. In absence of such a declaration, TDS would be regulated as per the provisions of section 206AB of the Act

You may view / download the respective forms from the following links:

[Click here](#) to download – 15G

[Click here](#) to download – 15H

[Click here](#) to download - 10F

[Click here](#) to download - Self declaration (FPI & FII)

[Click here](#) to download - Self declaration (NRI)

[Click here](#) to submit the Tax Exemption Forms online

The Company shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend. In case you have not registered your email ID with

the Company's Registrar and Transfer Agents, kindly register the same for shareholders holding shares in physical form and with the Depository Participant for shareholders holding shares in demat form.

The aforesaid documents, as applicable, are required to be uploaded online on the link provided above on or before Friday, February 25, 2022 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination / deduction received post Friday February 25, 2022 shall be considered while payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates. You may send tax related query at zeeltaxexemption@linkintime.co.in or shareservice@zee.com

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 at <https://incometaxindiaefiling.gov.in>.

Yours faithfully,
For Zee Entertainment Enterprises Limited

Ashish Agarwal
Chief Compliance Officer & Company Secretary
FCS6669

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.

Note: This is a system generated email and hence does not require signature. Please do not reply to this mail.