

COMMUNICATION TO SHAREHOLDERS:

TDS ON DIVIDEND PAYMENT DURING THE FINANCIAL YEAR 2022-23.

Dear Shareholder(s),

We hope this communicate finds you safe and in good health.

We would like to inform you that the Board of Directors of Avanti Feeds Limited (AFL- the Company) at its Meeting held on 12th May, 2022 has recommended a dividend of ₹6.25 per Equity Share of ₹1/- each for the financial year ended 31st March, 2022, subject to the approval of shareholders' at the ensuing 29th Annual General Meeting (AGM) to be held on Friday, 12th August, 2022. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 8th August, 2022 to Friday, 12th August, 2022 (both days inclusive) for determining the entitlement of the shareholders to the dividend, if declared, for the financial year ended 31st March, 2022. This dividend will be paid within the prescribed timeline as provided under the Companies Act, 2013.

As per the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2022, dividend paid and distributed by a Company is taxable in the hands of the Shareholders. Therefore, the Company is required to deduct Tax at source ("TDS"), at the rates applicable on the amount distributed to the shareholders.

All Shareholders are requested to ensure that the details such as Permanent Account Number ("PAN"), residential status, Category of Shareholder (e.g. Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund - Category I, II or III, etc.), email id and address are updated, in their respective DEMAT account(s) maintained with the Depository Participants ("DP's"). Please note that these details as available on Book Closure Date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable withholding tax provisions.

The TDS/ Withholding tax provisions for both categories of shareholders viz. Resident and Non-Resident are detailed below:

I. Resident shareholders:

In respect of Resident Shareholders, Tax will be deducted at source under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act subject to fulfilment of the following conditions:

Valid PAN will be mandatorily required.

Shareholders holding shares under multiple accounts under different status/ category (e.g., Resident and Non-Resident) 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.

For Shareholders who are identified as "Specified Persons" under Section 206AB of the Act, higher tax rate as applicable would be deducted. For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly.

Apart from the above, specific provisions applicable to Resident-Individuals and Resident Non-Individuals are given below for ready reference.

IA. Resident Shareholders (Individual(s)):

1. In case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company under folio(s) during FY 2022-23 does not exceed **₹5,000/-** (Rupees five thousand only).
2. Tax will not be deducted at source in cases where a shareholder provides duly signed Form 15G (applicable to an individual below the age of 60 years) / Form 15H (applicable to an individual of the age of 60 years and above), provided that the eligibility conditions are met.

[Click here to download Form 15G](#)

[Click here to download Form 15H](#)

3. Valid PAN will be mandatorily required. However, if the PAN is not updated or is invalid then the higher rate as per the Act (i.e., 20%) would apply.

IB. Resident Shareholders (Other than Individuals):

The TDS for Resident shareholders (other than individuals) along with required documents are provided in Table below:

Category of Shareholder(s)	TDS Rate	Exemption Applicability/ Documents required
Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Act are not applicable to them: 1.PAN 2.Registration certificate 3.Self-declaration (Click Here to download the format)
Mutual Funds	NIL	Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of the Act and is covered under Section 196 of the Act along with Self-declaration (Click Here to download the format).
Alternative Investment fund (AIF) established/ incorporated in India	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 th June, 2015, by the Ministry of Finance (CBDT) (OR) Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with the following documents: Self-attested copy of the PAN card Registration certificate Self-declaration (Click Here to download the format)

Recognized Provident Fund	NIL	Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, (OR) Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 needs to be submitted along with Self-declaration (Click Here to download the format).
Approved Superannuation Fund / Approved Gratuity Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted: under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration (Click Here to download the format).
National Pension Scheme	NIL	Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) Granting approval to the Scheme along with Self-declaration (Click Here to download the format).
Entities exempt under Section 10 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration (Click Here to download the format), duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in Circular No.18 of 2017).
Corporation Established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income-tax on its income including entities in which such corporations are the beneficial shareholders.	NIL	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration (Click Here to download the format)
Order under section 197 of the Act.	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Benefit under Rule 37BA.	Rates based on the status of the beneficial owners	In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration (Click Here to download the format), along with Appendix A (Click Here to download the format).
Other resident shareholders without PAN/Invalid PAN/ Deleted PAN/ non-compliance of Section 206AB of the Act.	20 %	-

II. Non-resident Shareholders:

In respect of Non-Resident Shareholders, Tax will be deducted at source under Section 195 and Section 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable unless exempt under the provisions of the Act as given below:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any non-resident shareholder (including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI))	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower.	<p>As per Section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:</p> <p>A. Copy of Permanent Account Number (PAN), if available.</p> <p>B. Self-attested copy of Tax Residency Certificate ('TRC') issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during FY 2022-23.</p> <p>C. Completed and duly signed Self-Declaration in Form 10F (Click Here to download Form 10F).</p> <p>D. Self-declaration of having no taxable presence, fixed base or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder. (Click Here to download the format).</p> <p>Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident shareholders. The Company will apply its sole</p>

		discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.
Submitting Order under Section 195(3) /197 of the Act.	Rate provided in the Order.	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Notes:

1. Shareholders holding shares under multiple accounts under different status/ category (eg. Resident and Non-Resident) 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.

For Shareholders who are identified as "Specified Persons" under Section 206AB of the Act, higher tax rate as applicable would be deducted. For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly. It may be noted that as per Section 206 AB of the Act, **the specified persons shall not include a non-resident who does not have a permanent establishment in India.**

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the documents as mentioned above on or before Friday, 5th August, 2022. Shareholders are requested to note that while the submission of original forms are mandatory, they may submit the said documents online at <https://ris.kfintech.com/form15>. No communication on the tax determination/deduction shall be entertained post 5th August, 2022.

It may be further noted that in case the tax on 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. No claim shall lie against the Company for such taxes deducted.

We shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend.

In case of any queries you may contact our Registrar and Share Transfer Agent i.e. KFin Technologies Limited on inward.ris@kfintech.com or call them on 1800 309 4001.