



**LT Foods Limited**

Regd. Office:-Unit No. 134, 1<sup>st</sup> Floor, Rectangle-1, Saket District Center, New Delhi-110 010  
Corporate Office:-4<sup>th</sup> Floor, MVL I-Park, Sector-15, Gurugram-122 001, Haryana  
CIN-L74899DL1990PLC041790, Website:-[www.ltgroup.in](http://www.ltgroup.in)  
Telefax:- +91-11-26859344, Email:-ir@ltgroup.in

Date: 22-10-2020

Dear Shareholder,

**Sub: Communication in respect of deduction of tax at source on Dividend pay-out- Interim Dividend**

We are pleased to inform you that the Company has proposed interim dividend for approval of Board of Directors at their meeting scheduled to be held on October 30, 2020 **for approval and adoption of accounts for the half year ended September 30, 2020**. This **interim** dividend is subject to approval of Board of Directors **in their meeting**. As you are aware, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. Your company shall therefore be required to deduct tax at source at the time of making the payment of the said dividend.

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

**For Resident Shareholders:**

Where, the Permanent Account Number (PAN) is available and is valid,

1. Tax shall be deducted at source in accordance with the provisions of the Income Tax Act, 1961 **at the rate of 7.5%** or as notified by the Government of India on the amount of dividend payable under section 194 of the Income Tax Act, 1961
2. No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident individual during FY2020-21 does not exceed Rs 5,000. In cases where the shareholder provides Form 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an individual above the age of 60 years) and provided that all the required eligibility conditions are met, no tax will be deducted at source. The formats of Form 15G and Form 15H are available on the website of our Registrar and Transfer Agent (RTA) Bigshare Services Private Limited-
3. Where the PAN is neither available or is invalid, tax shall be deducted at the rate of 20% or as notified by the Government of India, whichever is higher under the provisions of Section 206AA of the Income Tax Act, 1961.

### **For Non-Resident Shareholders:**

1. Tax is required to be deducted in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. Accordingly, tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India, on the amount of dividend payable.
2. However, as per Section 90(2) of Income tax Act, 1961 the non-resident shareholder may have an 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 such DTAA provisions are more beneficial to them.

To avail the DTAA benefits, the non-resident shareholder shall furnish the following documents on or before 11.59 pm (IST) **on November 02, 2020** to the RTA of the Company:

- a. Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities;
- b. Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status during the FY2020-21. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
- c. Completed and duly signed Self-Declaration in Form 10F. The format of Form 10F is available on RTA's website .
- d. Self-declaration in the prescribed format which is available at , certifying on the following points:
  - d. 1. Shareholder is and will continue to remain a tax resident of the country of his residence during the FY2020-21;
  - d. 2. Shareholder is eligible to claim the beneficial DTAA rate, including having regard to the Principal Purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the Company;
  - d. 3. Shareholder has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner;
  - d. 4. Shareholder is the ultimate beneficial owner of the shareholding in the Company and dividend receivable from the Company; and
  - d. 5. Shareholder does not have a taxable presence or a permanent establishment in India during the FY2020-21.

- c. 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 shareholder.
3. Notwithstanding Paragraph 2 above, tax shall be deducted at source @20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPI"). Such TDS rate shall not be reduced on account of the application of the Lower DTAA rate or lower tax deduction order, if any.
4. For availing the tax exemptions, Mutual Funds/Alternate Investment Funds should provide SEBI registration certificate and also undertaking confirming that they are the beneficial owners of shares held by them.
5. For availing the tax exemption, Insurance companies should provide a IRDA registration certificate and undertaking confirming that they are the beneficial owners of the shares held by them.

**For all Shareholders:**

The aforementioned forms for tax exemption can be downloaded from company's RTA website -

[www.bigshareonline.com](http://www.bigshareonline.com) [www.bigshareonline.com](http://www.bigshareonline.com) [www.bigshareonline.com](http://www.bigshareonline.com)  
<https://www.bigshareonline.com/Resources.aspx>

Once the home page opens, select the 'General' tab. All the forms are available under the head "Form 15G/15H/10F/self-declaration"

The aforementioned documents (duly completed and signed) are required to be submitted to the company's RTA at [tds@bigshareonline.com](mailto:tds@bigshareonline.com) In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to provide the above-mentioned details and documents as applicable to you on or before on or before 11.59 pm (IST) on **November 02, 2020**.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered post November 02, 2020.

The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities.

Shareholders may note 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, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, on their email address [tds@bigshareonline.com](mailto:tds@bigshareonline.com)

Shareholders are further requested to complete necessary formalities with regard to their bank accounts linked to their Demat accounts 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.

Disclaimer: This Communication shall not be treated as an advice from the Company or its affiliates or Bigshare Services Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

We request your cooperation in this regard.

For LT Foods Limited

Monika Chawla Jaggia  
Company Secretary  
Membership No. F5150