

## FREQUENTLY ASKED QUESTIONS

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## FAQs

### 1. What will be the nature of distribution made by Anantam?

Distributions to the unitholders of Anantam can be characterized as follows:

- (i) Interest, or
- (ii) Dividend, or
- (iii) Any other income (interest income on fixed deposits, profit and loss on sale of mutual funds, etc.), or
- (iv) repayment of unit capital, or
- (v) a combination of any of the foregoing receipts

The characterisation of distribution will depend on nature of net distributable cash flows received by Anantam from its underlying investment in Holding Company/ Special Purpose Vehicles (“SPVs”).

### 2. What will be the frequency of distributions by InvITs to unitholders?

Distributions have to be disbursed not less than once every six months in every financial year in case of publicly offered InvITs as per the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (as amended from time to time).

You may also refer Anantam’s distribution policy at <https://anantamhighways.com/wp-content/uploads/2025/10/Distribution-Policy.pdf>

### 3. What is the basis of determining the withholding tax rate?

The withholding tax rate shall be determined basis the tax residential status of the unitholders under the Income Tax Act, 1961 (“the Act”). Hence, unitholders shall provide the declaration stating their tax residential status (‘Residency declaration’) prior to the distribution.

The declaration provided by the unitholder for a particular financial year shall be considered as valid for the entire financial year. In case of change in the residential status, it shall be the responsibility of the unitholder to inform Anantam / Depositories / Registrar and Transfer Agent.

### 4. What are the tax implications for FY 2025-26 on different streams of income distributed by Anantam in the hands of the resident and non-resident unitholders?

Kindly refer to the following indicative summary on the tax implications in the hands of unitholders:

Nature of Income	Taxability in the hands of Resident Unitholders	Taxability in the hands of Non-Resident Unitholders (Note 1)
Distribution of interest income earned by Anantam from underlying SPVs	Taxable at applicable rates as per the Act	Taxable at concessional rate of 5% (plus applicable surcharge and cess)
Distribution of dividend income earned by Anantam from underlying SPVs, where SPVs have not opted for the tax regime under section 115BAA of the Act.	Exempt	Exempt
Distribution of dividend income earned by Anantam from underlying SPVs, where the SPVs have opted for the tax regime under section 115BAA of the Act.	Taxable at applicable rates as per the Act	Taxable at 20% (plus applicable surcharge and cess)
Distribution in nature of repayment of debt given by Anantam to SPVs	Refer FAQ no. 13 below	
Distribution of any other income earned by Anantam, i.e. Treasury Income (such as interest on fixed deposits etc.)	Exempt under Section 10(23FD) of the Act	Exempt under Section 10(23FD) of the Act
Capital gains on transfer / sale of units of Anantam	Applicable as per the provisions of the Act	

**Note 1** - Please note that the aforementioned rates are as per the provisions of the Act. Non-resident unitholders are advised to independently evaluate any impact under the relevant Double Tax Avoidance Agreement ('DTAA') in consultation with their tax advisors.

**5. What is the TDS obligation in the hands of Anantam for FY 2025-26 for the distribution of income?**

Kindly refer to the following indicative summary on the TDS implications in the hands of Anantam on distributions made to unitholders:

Type of income distributed	Residential status of unitholder	Withholding tax section	Withholding tax rate
Interest income received from SPV	Resident	Section 194LBA	10%
	Non-resident (including FPI)	Section 194LBA	5% (plus surcharge and cess) (Refer Note 2 & 3)
Dividend income received from SPV	Resident	Section 194LBA	10% (Refer Note 1)
	Non-resident (including FPI)	Section 194LBA	10% (plus surcharge and cess) (Refer Notes 1, 2 & 3)
Any other income i.e. Treasury Income (such as interest on fixed deposits, etc.)	Resident	Not Applicable	NIL
	Non-resident (including FPI)	Not Applicable	NIL
Repayment of debt given by Anantam to SPVs	Resident	NIL	
	Non-resident (including FPI)	TDS to be deducted as per applicable tax provisions of the Act as referred in FAQ no. 13 (Refer Note 2 & 3 below)	

**Note 1** – Where dividend is received by Anantam from SPV (which has not opted for the new tax regime u/s 115BAA of the Act) and is distributed to unitholders, the same is not subject to TDS u/s 194LBA. However, where the SPV has opted for tax new regime u/s 115BAA, dividend received by Anantam from such SPV and is distributed to unitholders shall be subject to TDS as mentioned above.

**Note 2** – Please note that reliance will be made on the BENPOS report and/or declaration/ documents obtained from the unitholders, with respect to details of residential status of the Unitholders (i.e. resident or non-resident) and the category of Unitholders (i.e. individual, body corporate, firm, trust, etc.)

**Note 3** – Please note withholding tax rates for non-resident unitholders for availing concessional tax rate as per tax treaty provisions are subject to submission of following documents to Anantam –

- Tax residency certificate issued by the tax authorities of respective jurisdictions
- Self-declaration in Form 10F (Please refer FAQ no. 6 for further details)
- Residency Declaration as referred in FAQ 3 above

## 6. In case of non-residents, what is the mode of providing Form 10F by the unitholders?

The non-resident unitholder intending to avail DTAA benefits is required to provide electronically generated 10F by the unitholder on the Income-tax portal as per CBDT Notification No. 03/2022 dated 16<sup>th</sup> July 2022.

## **7. TDS Treatment for Unitholders not having a PAN (Section 206AA of the Act)**

In accordance with Section 206AA of the Act, where a Unitholder does not furnish a PAN, TDS shall be deducted at higher of the following:

- at the rate specified in the Act; or
- at the rate or rates in force; or
- at the rate of 20%

However, higher TDS rate as per section 206AA shall not apply on distribution in the nature of interest or dividend where non-resident unitholder furnishes the following details and documents:-

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which such unitholder is a resident;
- (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- (iv) Tax Identification Number of such unitholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which such unitholder is identified by the Government of that country or the specified territory of which he claims to be a resident.

## **8. If any excess deduction is made by Anantam while making distributions to the Unitholders, will the same be refunded?**

Any excess deduction made by the Anantam will not be refunded by the Anantam and the unitholder may file a return of income to claim a refund of the excess tax deduction.

## **9. If any short deduction is made by Anantam while making distributions to the Unitholders, will the same be adjusted?**

Anantam retains the right to make adjustment for any shortfall in taxes deducted in earlier distributions and recover the differential TDS amount from the Unitholder along with appropriate interest (as applicable) and consequential penalties (as applicable). This can be done by way of adjustment from subsequent distributions.

## **10. Is there any exemption available for Alternate Investment Funds ('AIF') from withholding tax? If yes, what condition needs to be fulfilled to claim exemption?**

Income other than the income from profits and gains of business and profession of Category I / II AIF which are governed by Securities and Exchange Board of India ('SEBI') regulations and holding SEBI registration number qualifies for TDS exemption under u/s 197A(1F) read with section 10(23FBA) of the Act [CBDT notification No.51/2015 dated 25th June 2015]. Anantam shall not deduct taxes where the Unitholder provides requisite declarations along with eligible SEBI registration certificate as AIF Category I or II within

the timelines as mentioned in the communication letters circulated at the time of distributions by Anantam.

**11. Is there any exemption available for Mutual Funds from withholding tax? If yes, what condition needs to be fulfilled to claim exemption?**

As per the provisions of Section 10(23D) of the Act, any income of a Mutual Fund registered under the SEBI Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorized by the Reserve Bank of India ('RBI') is exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf. Further, as per the provisions of section 196 of the Act, no deduction of tax shall be made on any sum payable to a Mutual Fund specified under section 10(23D) of the Act. Anantam shall not deduct taxes where unitholders provide requisite declarations along with eligible registration certificate from SEBI/ RBI/ other relevant authority within the timelines as mentioned in the communication letters circulated at the time of distributions by Anantam.

**12. Will there be a requirement for Non-Resident Unitholder to file Income tax returns in India?**

Investors are advised to consult their own consultants with respect to the specific tax implications/ compliances/ consequences in this regard.

**13. Whether distributions made on or after 1 April 2023 from proceeds of repayment of debt received by Anantam from SPVs taxable in the hands of the unitholders?**

Effective from 1 April 2023, the Act has been amended to tax such distributions made on or after 1 April 2023 in the hands of the Unitholders as Income from other sources. The revised provisions introduced vide section 56(2)(xii) are as under:

“any specified sum received by a unit holder from Anantam during the financial year, with respect to a unit held by him at any time during the previous year.

For this purpose, "specified sum" shall be computed in accordance with the following formula, namely:—

Specified sum = A-B-C (which shall be deemed to be zero if sum of B and C is greater than A), where—

A = aggregate of sum distributed by Anantam with respect to such unit, during the said year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is, —

(a) not in the nature of interest or dividend; and

(b) not chargeable to tax under section 115UA(2);

B = amount at which such unit was issued by the Anantam; and

C = amount charged to tax u/s 56(2)(xii) in any earlier year/(s).

Accordingly, provisions for computing cost of acquisition of unit under section 48 of the Act has also been amended by way of an Explanation. The Explanation reads as follows:

*“Explanation 1 - For the removal of doubt, it is hereby clarified that the cost of acquisition of a unit of a business trust shall be reduced and shall be deemed to have always been reduced by any sum received by a unit holder from the business trust with respect to such unit, which is not in the nature of income as referred to in section 10(23FC) or section 10(23FCA) and which is not chargeable to tax under section 56(2)(xii) and under section 115UA(2).”*

In case of non-resident unit holders it is advisable that they independently evaluate any tax benefits under the relevant DTAA in consultation with their tax advisors.

#### **14. What is the timeline for issue of Form 64B required under Income Tax, 1961 by the InvIT?**

As per section 115UA(4) of the Act read along with Rule 12CA of Income- tax Rules, 1962 any person responsible for making payment of the income distributed on behalf of a InvIT to a unit holder is required to furnish a statement in Form 64B to the unit holder.

As per Notification No. 17/2025 dated February 24, 2025, Trust is required to file Form 64A by June 15th on the income tax portal and basis the said filed Form 64A a system-generated Form 64B will be downloaded from income tax portal and shared with the unitholders. Previously, Form 64B was prepared manually and distributed to the unitholders, with the proposed change an electronically generated Form 64B will be issued to the unit holders

#### **15. What is the capital gains tax applicable on the sale of units of Anantam?**

Effective from 23<sup>rd</sup> July 2024, the units of Anantam shall be regarded as long-term capital asset if the same are held for a period more than 12 months and if held for less than 12 months, then such units will be regarded as short-term capital asset.

If long-term units are sold through recognized stock exchange and such transaction is subject to securities transaction tax, the long-term capital gain arising thereon shall be taxable at concessional rate of 12.5% (w.e.f. 23 July 2024) (plus applicable surcharge and cess) without indexation benefit under section 112A of the Income Tax Act, 1961.

If short-term units are sold through recognized stock exchange and such transaction is subject to securities transaction tax, the short-term capital gain arising thereon shall be taxable at concessional rate of 20 % (w.e.f. 23 July 2024) (plus applicable surcharge and cess) without indexation benefit under section 111A of the Income Tax Act, 1961.

The Securities Transaction Tax will be levied as applicable.

The aforementioned rates/ positions are as per the provisions of the Act. Unitholders are advised to independently evaluate any tax benefits under the relevant DTAA in consultation with their tax advisors.

**16. When will TDS certificates be issued to the unitholders?**

The TDS certificates in Form 16A shall be issued to the unitholders on quarterly basis in accordance with the timelines prescribed under the Act. Anantam will issue the TDS certificates based on the following indicative timeline:

<b>Quarter in which distributions are made</b>	<b>Timeline for issue of TDS certificates</b>
April to June	On or before 15 August
July to September	On or before 15 November
October to December	On or before 15 February
January to March	On or before 15 June

For example: For the distributions made during the month of June 2025 in relation to financial results declared for FY 2025-26, the due date of issuance of TDS certificates is on or before 15 August 2025.

Please note that the TDS Certificates will be shared within the due date applicable under the Act, with the Unitholders at their email IDs registered with CDSL/ NSDL.

**17. Whether Nil/Lower TDS certificate for claiming exemption from TDS under Income Tax, 1961 on distributions can be accepted by Anantam?**

Anantam may consider Nil/Lower TDS certificate obtained in accordance with provisions of section 197 of the Income Tax Act, 1961 while determining TDS liability for distributions, which are valid for distributions for the relevant period subject to receipt of such certificates within the timelines as mentioned in the communication letters circulated at the time of distributions made by Anantam.

**18. Whether Form 15H/15G for claiming exemption from TDS deduction under Income Tax, 1961 can be accepted by the InvIT?**

As per the provisions of the Act, liability to deduct TDS on interest and dividend income distributed by the InvIT to its unitholders arises under section 194LBA of the Act.

Section 197A of the Act provides for exemption from deduction of taxes at source under certain 'specified sections', in case the payee/ recipient of income furnishes a declaration in

the prescribed form (i.e. Form 15G or Form 15H, as the case may be) that his total income for such year shall not exceed the maximum amount not chargeable to tax (including such income for which Form 15G/ 15H is being submitted).

However, Section 197A does not cover grant of exemption for payments covered under section 194LBA. Accordingly, Anantam cannot consider the declaration in Form 15G/ 15H for deducting taxes under section 194LBA on income distributed by it to its unitholders and is required to deduct taxes as per the rates prescribed therein.

**19. Whether any threshold limit (minimum amount) of distribution is applicable for deduction of TDS in case of distribution of taxable dividend or interest?**

Please note that in case of distribution of taxable dividend and interest, no threshold limit has been prescribed under section 194LBA of the Act for the purpose of TDS deduction.

**20. What will be the point of taxation of distribution of income by InvIT?**

Amount received from InvIT shall be taxable in the hands of unitholder in the financial year in which such income is received/ distributed.

Note : This FAQ does not take into consideration the provisions of the new Income-tax Act, 2025, which has replaced the existing direct tax law, i.e., the Income-tax Act, 1961, with effect from 1 April 2026

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