

CFL/SEC/SE/2021-22/JAN/08

January 25, 2022

The Manager (Listing) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 508814	The Manager (Listing) National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex Mumbai-400 051 Security ID: “COSMOFILMS”
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**Sub: Second Interim Dividend 2022 - Communication on Tax  
Deduction at Source (TDS) on Dividend payout**

Dear Sir,

We are enclosing herewith the communication being sent to the shareholders through email on the above referred subject for dissemination of information widely to the members.

A copy of the above communication is also available on the website of the Company [www.cosmofilms.com](http://www.cosmofilms.com).

You are requested to take the same on your records.

Thanking You

Yours faithfully  
For Cosmo Films Limited

  
**Jyoti Dixit**  
Company Secretary & Compliance Officer

Encl: as above



**COSMO FILMS LIMITED**

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**January 25, 2022**

**Sub: Second Interim Dividend 2022 - Communication on Tax Deduction at Source (TDS) on Dividend payout.**

Dear Shareholder,

We are pleased to inform you that the Board of Directors of Cosmo Films Limited ('the Company') in their meeting held on January 25, 2022 has approved the payment of interim dividend of Rs. 10/- (Rupees Ten Only) per equity share of Rs. 10 each for the Financial Year 2021-22 with **February 03, 2022** being fixed as Record Date for payment of the said interim dividend.

Pursuant to the amendments introduced in the Income-tax Act, 1961 ('the Act') vide Finance Act, 2020, dividend paid after April 1, 2020, shall be taxable in the hands of the Shareholders and the Company shall be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents to the Company. **However, no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend for the Financial year ('FY') 2021-22, does not exceed Rs. 5,000/- (refer Note 2)**

Shareholders are requested to take note of the TDS rates and document(s), if any, required to be submitted to the Company by **February 9, 2022** for their respective category, in order to comply with the applicable TDS provisions.

**A. RESIDENT SHAREHOLDERS:**

**A.1 *Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding INR 5,000 during the FY 2021-22)***

<b>S No</b>	<b>Particular</b>	<b>Withholding tax rate</b>	<b>Declaration / documents required</b>
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form.	10%	No documents required (if no exemption is sought)

2	No / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form.	20%	No documents required (if no exemption is sought)
3	PAN is not linked with Aadhar as on 31 <sup>st</sup> March, 2022	20%	The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT).
4	Shareholder is a “specified person” as defined in section 206AB of the Income Tax i.e. has not filed the returns for FY 2018-19 and FY 2019-20 within the permissible time limit and was subjected to TDS/ TCS of Rs 50,000 or more in each of the said two FYs.	20%	The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT).
5	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	Copy of lower tax withholding certificate obtained from Income Tax Department

A.2 ***Nil Tax Deductible at Source on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in column no.3 of the below table with the Company/ RTA***

S No	Particular	Declaration / documents required
1	Shareholder submitting Form 15G/ 15H	<p>Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.</p> <p>The forms can be downloaded from the link  <a href="#">CLICK HERE TO DOWNLOAD FORM 15G</a>  <a href="#">CLICK HERE TO DOWNLOAD FORM 15H</a></p>

2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc.	Documentary evidence that said provisions are not applicable.
3	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified u/s 10(23D), corporations established by Central Act and exempt from Income Tax.	Documentary evidence for coverage under the said provisions
4	Category I and II Alternative Investment Fund (AIF)	SEBI registration certificate to claim the benefit under section 197A (1F) of the Income Tax Act, 1961.
5	<ul style="list-style-type: none"> <li>• Recognised provident funds</li> <li>• Approved superannuation fund</li> <li>• Approved gratuity fund</li> </ul>	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any other entity entitled to TDS exemption	Documentary evidence substantiating the entitlement to TDS exemption

**B. NON-RESIDENT SHAREHOLDERS:**

*Tax deductible at source for non-resident shareholders.*

<b>S No.</b>	<b>Category</b>	<b>Withholding tax rate</b>	<b>Declaration / documents required</b>
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: 1. Copy of PAN card 2. Copy of Tax Residency certificate issued by revenue authority of country

			<p>of residence of shareholder for the financial year in which dividend is received.</p> <p>3. Self-Declaration in Form 10F  <a href="#">CLICK HERE TO DOWNLOAD FORM 10F</a></p> <p>4. Self-declaration for no permanent establishment / fixed base  <i>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the non-resident shareholders and review to the satisfaction of the Company.)</i></p>
3	<p>Non Resident who have a permanent establishment in India and covered under the definition of “Specified person” as per section 206AB of Income Tax Act i.e. has not filed the returns for FY 2018-19 and FY 2019-20 within the permissible time limit and was subjected to TDS/ TCS of Rs 50,000 or more in each of the said two FYs.</p>	<p>Twice the applicable rate</p>	<p>The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT).</p>
4	<p>Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act</p>	<p>Rate specified in Lower tax withholding certificate obtained from Income Tax Department</p>	<p>Copy of lower tax withholding certificate obtained from Income Tax Department</p>
5	<p>Any other entity entitled to TDS exemption</p>	<p>NIL</p>	<p>Documentary evidence substantiating the entitlement to TDS exemption</p>

**Notes:**

1. The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. attested by the Shareholder or the Authorized Signatory should be emailed to [dividendhelp@cosmofilms.com](mailto:dividendhelp@cosmofilms.com) on or before **February 9, 2022** to enable the Company to determine the appropriate withholding tax rate applicable. Any communication on the tax determination/deduction post **February 9, 2022** shall not be considered.
2. The Shareholders are requested to note that 1st Interim Dividend for the financial year 2021-22 which was paid in October 2021 would be considered for calculating threshold exemption limit of INR 5,000 and TDS on the total dividend amount (i.e., 1st Interim Dividend and current 2nd Interim Dividend) would be deducted if the total dividend amount exceeds Rs 5000 (if not deducted earlier).
3. The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / RTA post payment of the dividend. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
4. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA
5. In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.
6. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
7. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

Your co-operation in this regard is solicited.

**For Cosmo Films Limited**

**Sd/-  
Jyoti Dixit  
Company Secretary & Compliance Officer**