



COSMO FILMS LIMITED
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January 27, 2021

Sub: Interim Dividend 2021 - 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 27, 2021 has approved the payment of interim dividend of Rs. 25 (Rupees Twenty Five Only) per equity share of Rs. 10 each for the Financial Year 2020-21 with **February 8, 2021** 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') 2020-21, does not exceed Rs. 5,000/-**

Shareholders are requested to take note of the TDS rates and document(s), if any, required to be submitted to the Company by **February 12, 2021** 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 2020-21)*

| S No | Particular | Withholding tax rate | Declaration / documents required |
|-------------|---|-----------------------------|---|
| 1 | Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer | 7.5% ¹ | No documents required (if no exemption is sought) |

¹ Applicable for FY 2020-21. Rate of 10% shall be applicable from FY 2021-22 onwards.

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| | Agent ('RTA') in case shares are held in physical form. | | |
| 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 | 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 | 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. The forms can be downloaded from the link CLICK HERE TO DOWNLOAD FORM 15G CLICK HERE TO DOWNLOAD FORM 15H |
| 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. |

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| 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"> Recognised provident funds Approved superannuation fund Approved gratuity fund | 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.

| S No. | Category | Withholding tax rate | Declaration / documents required |
|-------|--|---|---|
| 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 | <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> Copy of PAN card Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year in which dividend is received. Self-Declaration in Form 10F <p>CLICK HERE TO DOWNLOAD</p> |

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|---|--|---|---|
| | | | FORM 10F 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> |
| 3 | 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 |
| 4 | Any other entity entitled to TDS exemption | NIL | Documentary evidence substantiating the entitlement to TDS exemption |

Notes:

- 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 on or before **February 12, 2021** to enable the Company to determine the appropriate withholding tax rate applicable. Any communication on the tax determination/deduction post **February 12, 2021** shall not be considered.
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- 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).
- 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
- 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.
- 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.

6. 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