



SEC/48/2017-63

February 02, 2024

The Manager Compliance Department BSE Limited Phiroze Jeejeebhoy Tower Dalal Street Mumbai – 400 001	The Manager Compliance Department The National Stock Exchange of India Ltd. Exchange Plaza Bandra – Kurla Complex, Bandra (East) Mumbai – 400 051
Scrip Code/ Symbol: <u>540678/ COCHINSHIP</u>	

Dear Sir/Madam,

Subject: 02nd Interim Dividend 2023-24 – Communication on Tax Deduction at Source (TDS) on Dividend payout

1. We are enclosing herewith the communication to the shareholders on the above referred subject for dissemination of information widely to the members.
2. A copy of the above communication is also available on the website of the Company www.cochinshipyard.in.

Thanking you,

For Cochin Shipyard Limited





COCHIN SHIPYARD LIMITED

Corporate Identity Number (CIN): L63032KL1972GOI002414
Registered Office: Administrative Building, Cochin Shipyard Premises
Perumanoor, Ernakulam, Kerala – 682015
Tel: +91 (484) 2501306 E-mail: secretary@cochinshipyard.in
Website: www.cochinshipyard.in

February 02, 2024

Dear Shareholder,

Sub: 02nd Interim Dividend 2023-24 – Communication on Tax Deduction at Source (TDS) on Dividend payout

We are pleased to inform that the Board of Directors of Cochin Shipyard Limited (CSL) at their meeting held on January 30, 2024, has declared 02nd Interim Dividend of Rs. 3.50 per equity share of face value of Rs. 5 each fully paid-up (70%) for the financial year ending March 31, 2024.

As per the Finance Act, 2020, dividend paid and distributed by a Company will be taxable in the hands of Shareholders with effect from April 01, 2020. Therefore, the Company will be required to deduct taxes at source (TDS) at the rates applicable to each category of Shareholder under the provisions of the Income Tax Act, 1961 as explained below:

I. Resident Shareholders

- TDS would not apply in case of individuals if the aggregate dividend distributed to them during the financial year 2023-24 does not exceed Rs. 5,000.
- Tax at source will not be deducted in cases where a 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), provided that the eligibility conditions are being met.
 - The Form 15G/ 15H is available for download at the Company's website at www.cochinshipyard.in.
- Tax will be deducted at source ("TDS") under Section 194 of the Income Tax Act, 1961 @ 10% on the amount of dividend payable unless exempted under any of its provisions.
- TDS rate in case of "specified persons"

The Finance Act, 2021 has inserted the provisions of Section 206AB of the Income Tax Act, 1961 with effect from July 01, 2021, pursuant to which the Company would be liable to deduct tax at higher of the below rates on the dividend paid to "specified persons":

- (a) At twice the rate specified in the relevant provision of the Income Tax Act, 1961;
or
- (b) At twice the rate or rates in force; or
- (c) At the rate of 5%.

For the purposes of Section 206AB “specified person” means

- (a) A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 has expired; and
- (b) the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

In cases where Sections 206AA and 206AB are applicable i.e., the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

The Income Tax Department has issued a compliance check utility to check whether a person is covered under the “specified person” as defined under Section 206AB of the Income Tax Act, 1961. Accordingly, for determining TDS rate on Dividend, the Company will be using the said utility to determine the applicability of Section 206AB.

- Shareholders may also note that linking of PAN and Aadhar is mandatory. Accordingly, shareholders are requested to link their PAN with Aadhar on the Income tax website. In case the PAN is not linked with Aadhar, then the PAN is liable to be treated as invalid. If PAN is invalid/ not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.
- Shareholders are requested to update their PAN with the Company’s RTA, Link Intime India Private Limited (in case of shares held in physical mode) and Depository Participants (in case of shares held in demat mode).
- Shareholders holding shares under multiple accounts under different status/ category 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.
- Shareholders are requested to kindly verify the correctness of the records and update the same with the Depository Participant (if shares are held in demat mode) or the Company’s RTA (if shares are held in physical mode), at the earliest.
- Eligible Shareholders are also requested to submit the following documents as prescribed under the Income Tax Act, 1961 latest by February 12, 2024 by e-mail to csldivtax@linkintime.co.in to avail the benefit of exemption or lower deduction from withholding tax.

Category	Documents required	Remarks
General	Self-attested copy of withholding tax certificate for lower deduction u/s 197	If lower rate of tax is to be claimed
Individual	Duly signed Form 15G or 15H (as may be applicable) along with the self-attested copy of the PAN card	If tax exemption is to be claimed

Category	Documents required	Remarks
Insurance Company	Self-declaration* that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate	If tax exemption is to be claimed
Mutual Funds	Self-declaration* that they are specified in Section 10(23D) of the Income Tax Act, 1961, along with self-attested copy of PAN card and registration certificate	If tax exemption is to be claimed
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income	Self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card	If tax exemption is to be claimed
Alternative Investment Fund (AIF) established/ incorporated in India	Self-declaration* that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and that they are governed by SEBI Regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate	If tax exemption is to be claimed

*The format of self-declaration is available at Company's website at www.cochinshipyard.in.

II. **Non-Resident Shareholders**

- Tax is required to be deducted at source in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the relevant provisions of the Income Tax Act, 1961, the tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- Shareholders are requested to kindly verify the correctness of the records and update the same with the Depository Participant (if shares are held in demat mode) or the Company's RTA (if shares are held in physical mode), at the earliest.
- Eligible Shareholders are also requested to submit the following documents as prescribed under the Income Tax Act, 1961 latest by February 12, 2024 by e-mail to csldivtax@linkintime.co.in to avail the benefit of Double Taxation Avoidance Agreement (DTAA) between India and their country of residence.

Category of Shareholder		Documents
Investments made by routes other than FPI route	Individual	<ul style="list-style-type: none"> • Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident • E-Form 10F⁽¹⁾ • Self-declaration⁽²⁾ • Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.
	Partnerships, Trusts	<ul style="list-style-type: none"> • Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident • E-Form 10F⁽¹⁾ • List of partners/ beneficiaries, their respective shares in the income of the partnership/ trust and their respective residential status (if not forming part of TRC) • Self-declaration⁽²⁾ • Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.
	Companies	<ul style="list-style-type: none"> • Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident • E-Form 10F⁽¹⁾ • Proof of satisfaction of LoB wherever required as per treaty (for example, in case the foreign company is registered on the stock exchange of the other country – the listing certificate of the company) • Self-declaration⁽²⁾ • Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.
Investments made through FPI route	FPIs (if shares are held under the FDI regime)	<ul style="list-style-type: none"> • Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident • E-Form 10F⁽¹⁾ • Proof of satisfaction of LoB wherever required as per treaty (for example, in case the foreign company is registered on the stock exchange of the other country – the listing certificate of the company) • Self-declaration⁽²⁾ • Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.
	FPIs (other than above)	<ul style="list-style-type: none"> • Self-attested declaration that investment has been made under FPI route • Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.

⁽¹⁾Electronic Form 10F as per notification No. 03/2022 dated July 16, 2022 from the Central Board of Direct Tax {Notification can be read under -notification-no-3-2022-systems.pdf (incometaxindia.gov.in)}. Form 10F can be obtained electronically through e-filing portal of income tax website and procedure for the same is detailed in **Annexure I**.

⁽²⁾The format of Self-declaration is available at Company's website at www.cochinshipyard.in.

- Kindly note that 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 shareholders.
- Tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under Section 196D of the Income Tax Act, 1961. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

Please note that the record date fixed by the Company for the purpose of 02nd Interim Dividend 2023-24 is February 12, 2024. Hence, it is requested to submit the aforementioned documents by e-mail to csldivtax@linkintime.co.in latest by February 12, 2024. Documents submitted to any other e-mail or in any other form will not be considered.

You are also requested to communicate us the changes if any, to the above documents already submitted for the Financial Year 2023-24, during final dividend payout for the Financial Year 2022-23/01st interim dividend payout for the Financial Year 2023-24. If no such communication is received by us within the prescribed time i.e. February 12, 2024, the documents submitted earlier will be considered for the purpose of TDS as per tax law.

No communication on the tax determination / deduction shall be entertained after February 12, 2024.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, Shareholders would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return by consulting a tax advisor. No claim shall lie against the Company for such taxes deducted.

Shareholders are requested to register/ update their e-mail addresses with their Depository Participant (DP) in case the shares are held in demat mode and with Link Intime India Private Limited, Company's RTA, in case the shares are held in physical mode to enable the Company to send Form 16A with respect to the TDS on Dividend. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in>.

Disclaimer: This communication shall not be treated as an advice from the Company. For the tax related matters Shareholders should obtain the tax advice from a tax professional.

We seek your co-operation in the matter.

Warm regards,

Syamkamal N
Company Secretary
Cochin Shipyard Limited

PROCEDURE FOR ELECTRONICALLY FURNISHING OF FORM 10F
- STEPS/ PROCEDURE FOR E-FILING FORM 10F

- (i) Login to <https://www.incometax.gov.in/iec/foportal> using PAN login
- (ii) Go to E-file>Income Tax Forms>File Income Tax Forms
- (iii) Select Form 10F from the available options
- (iv) Select the relevant Assessment Year for which you need to file Form 10F and click on continue
- (v) Fill all the required fields in the Form.
- (vi) Attach the Tax Residency Certificate and Save the Draft and then Proceed to submit the Form with digital signature (DSC) of the authorized signatory/self.
- (vii) Once submitted, go to 'View Filed Forms' and download the copy of the Form 10F and submit along with other tax forms.

Kindly note that, as per Rule 21AB of Income Tax Rules, a non-resident, who wishes to avail the benefit of Double Taxation Avoidance Agreement between India and the country of their residence, is required to furnish certain information in Form 10F. Further under sub rule 2 of the aforesaid rule, a non-resident is not required to furnish Form 10F if all the information as required in the form is contained in the TRC.

As per Sections 90 and 90A read with Section 295 of the Income Tax Act, 1961 read with Rule 21AB(1) of Income Tax Rules, 1962, a certificate (TRC) to be obtained by a non-resident, from the country of his tax residence, shall contain the following particulars namely:-

- (i) Name of the assessee;
- (ii) Status (individual, company, firm etc.) of the assessee;
- (iii) Nationality (in case of individual);
- (iv) Country or specified territory of incorporation or registration (in case of others);
- (v) Assessee's tax identification number in the country or specified territory of residence or in case no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory;
- (vi) Residential status for the purposes of tax;
- (vii) Period for which the certificate is applicable; and
- (viii) Address of the applicant for the period for which the certificate is applicable.

Thus, if Form 10F is required to be furnished, then it must be needed to be done electronically as laid out above.