

# COMMUNICATION ON TAX DEDUCTION ON DIVIDEND

## Dear Members,

We are pleased to inform that the Board of Directors at their meeting held on Thursday, May 25, 2023 have recommended payment of final dividend of ₹ 27/- per fully paid-up ordinary share of face value of ₹ 10/- each for the financial year ended March 31, 2023, subject to approval of the members at the ensuing annual general meeting of the Company convened to be held on **Friday, August 11, 2023**. The dividend will be paid to those members whose name shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the Record Date, Friday, August 4, 2023.

Pursuant to Section 194 of the Income Tax Act, 1961 ("IT Act"), the Company is now under an obligation to deduct tax at source (TDS) at the prescribed rates applicable to each category of members, wherever applicable, at the time of making the payment of dividend.

This communication provides a brief on the applicable TDS provisions under the IT Act for Resident and Non-Resident members and information/documents required from the members.

## A. Resident Members :

1. No TDS shall be deducted on dividend payable to resident individuals, if aggregate dividend does not exceed ₹ 5,000/- during that financial year.
2. In other cases, TDS is required to be deducted at the rate of **10%** u/s 194 of the IT Act where members have registered their valid Permanent Account Number (PAN). In case PAN is not available or invalid, TDS at higher rate of **20%** shall be deducted under Section 206AA of the IT Act.
3. No TDS shall be deducted from dividend payable to Mutual Funds, Insurance Companies, Category I and II Alternative Investment Fund, Recognised Provident Funds, Approved Superannuation Fund, Approved Gratuity Fund, National Pension Scheme, Government (Central/State) or any other entity entitled to exemption from TDS for the time being in force, subject to specified conditions and submission of declaration as per **Annexure 1** with certified copies of evidence.
4. No TDS shall be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of sixty years with no tax liability on total income). Formats of Form 15G and Form 15H are enclosed as **Annexure 2** and **Annexure 3**, respectively.
5. TDS will be deducted at lower/nil rate prescribed in the certificate issued u/s 197 of the IT Act, if valid certificate is submitted.
6. TDS will be deducted at higher rate of **20%** from dividend payable to resident members who are identified as 'specified person' under Section 206AB of the IT Act on the basis of the mechanism prescribed by the CBDT. The Company will use the functionality "Compliance Check for Sections 206AB & 206CCA" available through reporting portal of the Income-tax Department to determine the applicability of Section 206AB of the IT Act.

## B. For Non-resident Members :

1. TDS shall be deducted at the rate of **20%** (plus applicable surcharge and cess) u/s 196D of the IT Act in case of Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) and u/s 195 of the IT Act for other non-resident members.
2. TDS shall be deducted at lower/nil rate on submission of valid certificate issued u/s 197/195 of the IT Act.
3. Non-resident members may avail lower TDS rate as per Agreement for Avoidance of Double Taxation (DTAA) between India and the country of tax residence of the non-resident member, on furnishing the below specified documents:
  - a) Self-attested copy of PAN. In case PAN is not available, provide information and documents as mentioned in Rule 37BC(2) of the Income-Tax Rules, 1962 (IT Rules);
  - b) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
  - c) Copy of Form 10F to be filed electronically as per DGIT (Systems) Notification No. 3 of 2022 dated July 16, 2022; and
  - d) Self-declaration on letterhead of having no Permanent Establishment in India, beneficial ownership of shares and eligibility to claim treaty benefits as per **Annexure 4**.

Please note that the application of beneficial DTAA rate at the time of tax deduction on dividend shall be subject to completeness and satisfactory review by the Company, of the documents submitted by the non-resident members.

## COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

### C. Submission of documents and other matters:

1. The documents such as valid PAN, Forms 15G/15H/Self-declaration/documentary evidence etc. are required to be submitted duly completed and signed by email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or [investorservices@chevjute.com](mailto:investorservices@chevjute.com) or by post to the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited at 23, R.N. Mukherjee Road, 5th Floor, Kolkata 700001, on or before the Record Date, Friday, August 4, 2023.
2. Members, who are eligible to obtain Aadhaar, are urged to verify their PAN-Aadhaar linking is done as per CBDT mandate to keep their PAN valid.
3. Please update/verify your PAN and the residential status as per IT Act, if not done so already, with your respective Depository Participant(s) (in case of shares held in dematerialised form) and with the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited (in case of shares held in physical form) on or before the Record Date, Friday, August 4, 2023.
4. TDS will be calculated based on details of first holder/registered member/beneficial owner only as appearing on Record Date. Once TDS is deducted, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
5. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://eportal.incometax.gov.in/> provided that valid PAN is registered with the Company/Depository Participant(s).
6. Pursuant to Rule 37BA(2) of the IT Rules, in case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Record Date, Friday, August 4, 2023, the registered member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before Friday, August 4, 2023. No request in this regard would be accepted by the Company/Registrar after the said date.
7. TDS on dividend payable on ordinary shares of the Company, which have been transferred to Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act, 2013 and Rules framed thereunder shall be determined on the basis of the shareholding of respective members entitled to those shares.
8. In case of incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
9. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information/documents.

### D. Furnishing of Bank details:

Members are requested to ensure that their bank account details are updated with the Company/Registrar/Depository Participant(s) to get the dividend in their respective bank accounts electronically credited.

Kolkata, May 25, 2023

CIN: L65993WB1897PLC001409

Registered Office: 24, Park Street, Celica House, 9th Floor, Celica Park, Kolkata - 700 016

Ph: +91 82320 87911/12/13 | Email: [cheviot@chevjute.com](mailto:cheviot@chevjute.com) | Website: [www.cheviotgroup.com](http://www.cheviotgroup.com)

By Order of the Board of Directors  
of **Cheviot Company Limited**  
**Aditya Banerjee**  
Company Secretary and Compliance Officer  
FCS 10954

Disclaimer: This communication should not be treated as an advice on tax matters from the Company or its Registrar, M/s Maheshwari Datamatics Private Limited. Members should consult with their own tax advisors for proper understanding of the tax provisions applicable in their case.



# COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

## ANNEXURE – 1

### FORMAT FOR DECLARATION REGARDING CATEGORY AND BENEFICIAL OWNERSHIP OF SHARES

Date:

To,  
**Cheviot Company Limited**  
24, Park Street,  
Celica House, 9th Floor, Celica Park  
Kolkata 700 016

**Subject: Declaration regarding Category and Beneficial Ownership of shares**

**Ref: PAN** < Mention PAN of Member >

**Folio Number/DP ID/Client ID** – < Mention all the account details >

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me/us by **Cheviot Company Limited** (the Company), I/We hereby declare as under:

1. I/We, .....<mention Full name of the member >, holding .....< mention number of shares held> ordinary share(s) of the Company as on the Record Date, hereby declare that I am/we are tax resident of India for the period April 2023-March 2024.
2. I/We hereby declare that <Select whichever is applicable>:

<input type="checkbox"/>	We are an Insurance Company and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card.
<input type="checkbox"/>	We are a Mutual Fund specified in Section 10(23D) of the Income Tax Act, 1961 (the IT Act) and are the beneficial owner of the share(s) held in the Company and we are submitting self-attested copy of PAN Card and registration certificate.
<input type="checkbox"/>	We are Alternative Investment fund established in India and are the beneficial owner of the share(s) held in the Company and our income is exempt under Section 10(23FBA) of the IT Act and is governed by SEBI regulations as Category I or Category II AIF and we are submitting self-attested copy of the PAN card and registration certificate.
<input type="checkbox"/>	I/We are .....<mention category of the entity> and are the beneficial owner of the share(s) held in the Company and are not subject to tax deduction at source under Section 196 of the IT Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

3. I/We further indemnify the Company for any penal consequences arising out of any act of commission or omission initiated by the Company by relying on my/our above statement.
4. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ Folios declared in this form.

For.....<Mention the name of the payee>

Authorised Signatory  
<Name of the person signing>  
<Designation of the person signing>

# COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

## ANNEXURE – 2

FORM NO. 15G

[See section 197A(1), 197A(1A) and rule 29C] [e-Form]

**Declaration under section 197A(1) and section 197A(1A) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax**

1. Name of Assessee (Declarant)		2. Permanent Account Number or Aadhaar Number of the Assessee		
3. Status	4. Previous year (P.Y.) (for which declaration is being made)		5. Residential Status	
6. Flat/Door/Block No.	7. Name of Premises	8. Road/Street/Lane		9. Area/Locality
10. Town/City/District	11. State	12. PIN		13. Email
14. Telephone No. (with STD Code) and Mobile No.		15. (a) Whether assessed to tax under the Income-tax Act, 1961 <input type="checkbox"/> Yes <input type="checkbox"/> No (b) If yes, latest assessment year for which assessed		
16. Estimated income for which this declaration is made		17. Estimated total income of the P.Y. in which income mentioned in column 16 to be included		
18. Details of Form No.15G other than this form filed during the previous year, if any				
Total No. of Form No.15G filed		Aggregate amount of income for which Form No.15G filed		
19. Details of income for which the declaration is filed				
Sl. No	Identification number of relevant investment/account, etc.	Nature of income	Section under which tax is deductible	Amount of income

.....  
Signature of the Declarant

### Declaration/Verification

\*I/We.....do hereby declare that to the best of \*my/our knowledge and belief what is stated above is correct, complete and is truly stated. \*I/We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. \*I/We further declare that the tax \*on my/our estimated total income including \*income/incomes referred to in column 16 \*and aggregate amount of \*income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act,1961, for the previous year ending on ..... relevant to the assessment year ..... will be nil. \*I/We also declare that \*my/our \*income/incomes referred to in column 16 \*and the aggregate amount of \*income/incomes referred to in column 18 for the previous year ending on ..... relevant to the assessment year ..... will not exceed the maximum amount which is not charge-able to income-tax.

Place: .....

Date: .....

Signature of the Declarant

### PART II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.		
3. Permanent Account Number or Aadhaar Number of the person responsible for paying		4. Complete Address		5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No.		8. Amount of income paid	
9. Date on which Declaration is received (DD/MM/YYYY)			10. Date on which the income has been paid/credited (DD/MM/YYYY)	

Place: .....

Date: .....

Signature of the person responsible for paying the income referred to in column 16 of Part I

\* delete whichever is not applicable.

# COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

## ANNEXURE – 3

FORM NO. 15H

[See section 197A(1C) and rule 29C] [e-Form]

**Declaration under section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.**

### PART I

1. Name of Assessee (Declarant)		2. Permanent Account Number or Aadhaar Number of the Assessee		3. Date of Birth (DD/MM/YYYY)	
4. Previous year(P.Y.) (for which declaration is being made)		5. Flat/Door/Block No.		6. Name of Premises	
7. Road/Street/Lane	8. Area/Locality	9. Town/City/District	10. State		
11. PIN	12. Email	13. Telephone No. (with STD Code) and Mobile No.			
14 (a) Whether assessed to tax: <input type="checkbox"/> Yes <input type="checkbox"/> No					
(b) If yes, latest assessment year for which assessed					
15. Estimated income for which this declaration is made			16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included		
17. Details of Form No.15H other than this form filed for the previous year, if any					
Total No. of Form No.15H filed			Aggregate amount of income for which Form No.15H filed		
18. Details of income for which the declaration is filed					
Sl. No.	Identification number of relevant investment/ account, etc.	Nature of income	Section under which tax is deductible	Amount of income	

.....  
Signature of the Declarant

### Declaration/Verification

I .....do hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including \*income/incomes referred to in column 15 \*and aggregate amount of \*income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on ..... relevant to the assessment year ..... will be nil.

Place: .....

Date: .....

Signature of the Declarant

### PART II

[To be filled by the person responsible for paying the income referred to in column 15 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.	
3. Permanent Account Number or Aadhaar Number of the person responsible for paying	4. Complete Address	5. TAN of the person responsible for paying	
6. Email	7. Telephone No. (with STD Code) and Mobile No.	8. Amount of income paid	
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/ credited (DD/MM/YYYY)	

Place: .....

Date: .....

Signature of the person responsible for paying the income referred to in column 15 of Part I

\* delete whichever is not applicable.

# COMMUNICATION ON TAX DEDUCTION ON DIVIDEND (Contd..)

## ANNEXURE – 4

### FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To,  
**Cheviot Company Limited**  
 24, Park Street, Celica House, 9th Floor, Celica Park  
 Kolkata 700 016

**Subject: Declaration for eligibility to claim benefit under Agreement for Avoidance of Double Taxation between Government of India and Government of..... <Mention country of tax residency> (“DTAA”), as modified by Multilateral Instrument (“MLI”), if applicable**

With reference to above, I/We wish to declare as below:

1. I/We, ..... <Full name of the member>, having permanent account number (PAN) under the Income Tax Act, 1961 (“the IT Act”) ..... <mention PAN>, if available, and holding ..... <mention number of shares held> ordinary shares of the Company under demat account number/folio number..... as on the record date, am/are a tax resident of ..... <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a ‘resident’ of India under Section 6 of the IT Act. A copy of the valid tax residency certificate for ..... <period>, which is valid as on the Record Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment (“PE”) in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of Section 9(1)(i) of the IT Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of ..... <Full name of the member> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, my/our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
9. I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.
10. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

For.....<Mention the name of the payee>

Authorised Signatory  
 <Name of the person signing>  
 <Designation of the person signing>