

COMMUNICATION ON TAX DEDUCTION ON DIVIDEND

Dear Member(s),

The Board of Directors of Cheviot Company Limited (the “Company”) at its meeting held on Friday, 24th May, 2024, have recommended a final dividend of ₹ 5/- (Rupees Five only) per ordinary share on 60,16,875 ordinary shares of face value of ₹ 10/- each (50%), amounting to ₹ 3,00,84,375/- (Rupees Three Crores Eighty-Four Thousand Three Hundred Seventy-Five only) for the financial year ended 31st March, 2024, subject to approval of the members at the ensuing annual general meeting of the Company convened to be held on **Friday, 9th August, 2024**. The dividend will be paid to those members, whose names appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the **Record Date, Friday, 14th June, 2024**.

Pursuant to the provisions of Section 194 and other applicable provisions, if any, 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.

Members are requested to send all information and documents mentioned hereunder to the Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited (“Registrar”).

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 Member(s) :

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”) with the Company/Registrar/Depositories. In case PAN is not provided or not available or inoperative, TDS at higher rate of 20% shall be deducted in accordance with the provisions of 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. Please note that all the fields mentioned in the Form are mandatory and the Company may reject an incomplete Form.
5. TDS on dividend income will be deducted at lower/nil rate prescribed in the certificate issued u/s 197 of the IT Act, if valid certificate for financial year 2024-25 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 Member(s):

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 on dividend income will be deducted at lower/nil rate on submission of valid certificate for financial year 2024-25 issued u/s 197/195 of the IT Act.

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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) for current year obtained from the tax authorities of the country of which the member is a resident;
 - c) Copy of Form 10F to be filed electronically; 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**.
 - e) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.

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 member(s).

C. Submission of documents and other matters:

1. The documents such as valid PAN, Form 15G/Form 15H/Self-declaration/documentary evidence etc. are required to be submitted, duly completed and signed, by email to mdpldc@yahoo.com or investorservices@chevjute.com or by post to the Registrar on or before Friday, 2nd August, 2024.
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 operative.
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 Registrar (in case of shares held in physical form) on or before Friday, 2nd August, 2024.
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/Registrar/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, 14th June, 2024, 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, 2nd August, 2024. No request in this regard would be accepted by the Company/Registrar after the said date.
7. TDS on dividend in respect of 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 and deposited, no claim shall lie against the Company in relation to TDS.



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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 and co-operation in any tax proceedings.

D. Furnishing of PAN, Contact Details, Bank account details:

Members are requested to register / update their Bank account details to receive dividend directly in their bank account through Electronic Mode in a timely manner.

Shares held in physical form: Member(s) holding shares in physical form are requested to **submit** the following details / documents to the Registrar:

- a) Form ISR-1 along with supporting documents. The said form is available for download on the website(s) of the (<https://www.cheviotgroup.com>) and Registrar (<https://www.mdpl.in/>).
- b) Cancelled cheque in original having bank account number, MICR code, IFSC, etc. and bearing the name of the member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the cancelled cheque in original alongwith Bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.
- c) Self-attested copy of the PAN Card of all the holders; and
- d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Further, member(s) holding shares in physical form, whose folio(s) do not have PAN, contact details, bank account details or specimen signature updated, shall be eligible to receive dividend **only through electronic mode**, after furnishing PAN and KYC details to the Registrar. An intimation shall be sent to the registered address of such member(s) whose folio is incomplete, informing that dividend is due and shall be made electronically only upon complying with the requirements of furnishing PAN and KYC details to the Registrar.

Shares held in demat form: Members holding shares in demat form may please note that their bank account details as recorded with their respective Depository Participant(s) will be considered for remittance of dividend and the Company will not be able to accede to any direct request from such members for change/addition/deletion in such bank details. Accordingly, members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective Depository Participant(s).

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

Kolkata, 24th May, 2024

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 | Website: www.cheviotgroup.com

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.

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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 2024-March 2025.

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>



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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

PART I

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 (b) If yes, latest assessment year for which assessed <input type="checkbox"/> Yes <input type="checkbox"/> No		
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.

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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

Ido 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.



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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>