



JK PAPER LTD.

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THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder,

Subject: Tax Deduction at Source (TDS) on Dividend

We are pleased to inform you that the Board of Directors of the Company, at its meeting held on 6th February 2023, has declared an Interim Dividend of ₹ 4/- per Equity Share of ₹10 each (40%) for the financial year 2022-23. The Dividend will be paid within thirty days from the date of its declaration i.e. on or before 7th March 2023 to the Shareholders whose names are borne on the Register of Members of the Company as on 17th February 2023, being the Record date fixed for this purpose or to their mandatees. In respect of shares held in dematerialised form, the Dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

As you are aware that as per the Income Tax Act, 1961 (**Act**), any Dividend paid or distributed by a Company shall be taxable in the hands of the Shareholders. Therefore, the Company will be required to deduct tax at source (TDS) at the rates applicable to each category of Shareholder at the time of making the payment of Dividend, if any.

The TDS rates may vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company in accordance with the provisions of the Act.

This communication is being sent, as a measure of investor service, to apprise you on the applicable provisions of TDS on Dividend.

The applicable TDS rates for various categories of Shareholders along with documents required to be submitted to the Company to avail benefit of Lower/Nil rate of TDS are mentioned below for information of the Shareholders:

A. RESIDENT SHAREHOLDERS

Sr. No	Particulars	Tax Deduction Rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	None
2	No PAN or invalid PAN updated in the Company's Register of Members	20%	None
3	If the Shareholder submits Certificate of Lower/Nil rate of tax deduction issued by Income Tax Department U/s 197 of the Income Tax Act, 1961	Rate specified in the Certificate	Self-attested copy of Lower/Nil rate of tax deduction certificate issued by Income Tax Authority
4	Availability of circular or notification containing Lower/Nil tax deduction	Rate specified in Circular/Notification	Self-attested copy of Lower/Nil tax deduction circular/notification issued by competent authorities

Note: Shareholders are advised to link their Aadhar number with PAN. In case of failure to link Aadhar with PAN, PAN shall be considered inoperative and tax shall be deducted at higher rate of 20%.

Non-deduction of TDS from Dividend payment

No TDS will be deducted on payment of dividend to the resident individual Shareholder, if the total dividend paid during a financial year does not exceed ₹ 5,000/-.

If total amount of dividend paid to a Shareholder (including final dividend paid during September 2022) during financial year 2022-23, exceeds Rs. 5,000/-, TDS will be deducted on the entire amount of dividend.

Further, no TDS will be deducted from dividend payment to resident Shareholders if the Shareholders submit the details given in the format as per **Annexure-I** which can be downloaded from the link given at the end of this communication, alongwith the documents mentioned in column no.3 in the below table, with the Company/RTA:

Sr. No (1)	Particulars (2)	Exemption applicability / Documents required (if any) (3)
1	Individual Shareholders who submit Form 15G/15H as prescribed under Income Tax Rules, 1962	Duly signed Form No. 15G/Form 15H (applicable to an Individual who is 60 years and above), fulfilling all the required eligibility conditions along with self attested copy of PAN card. Please note that all the fields are to be mandatorily filled up and Company may at its sole discretion reject the forms if it does not fulfil the requirements of law.

2	Insurance companies	Self-declaration that it qualifies as an Insurer as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity shares owned, along with self-attested copy of PAN card and registration certificate issued by Insurance Regulatory and Development Authority (IRDA)/LIC/GIC.
3	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.
4	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 under SEBI Regulations as Category I or Category II AIF along with self-attested copy of the PAN card and SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	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 SEBI registration certificate.
6	<ul style="list-style-type: none"> • Recognised Provident Funds • Approved Superannuation Fund • Approved Gratuity Fund 	<p>a) Self-attested copy of a valid order from Commissioner of Income Tax under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees Provident Funds Act, 1952 alongwith self attested copy of PAN Card.</p> <p>b) Self-attested copy of valid approval granted by the Commissioner of Income Tax :</p> <p>(i) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) and;</p> <p>(ii) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund)</p>
7	New Pension System Trust	Self declaration that it qualifies as NPS Trust and income is eligible for exemption under Section 10(44) of the Income Tax Act, 1961 and being regulated by the provisions of the Indian Trusts Act, 1882 alongwith self attested copy of PAN Card.

B. NON-RESIDENT SHAREHOLDERS

Sr. No.	Particulars	Tax Deduction Rate	Exemption applicability / Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/ Other Non-resident Shareholders	20% (plus applicable surcharge and cess)	<p>FIIs/FPIs/ Other Non-resident Shareholders may opt for tax rate under Tax Treaty. The Tax Treaty rate shall be applied for TDS on submission of following documents to the Company:</p> <ul style="list-style-type: none"> - Self-attested copy of the PAN Card, if any, allotted by the Indian Income Tax authorities. If the PAN is not allotted, please provide your name, email address, contact number, tax identification number allotted in the country of residence and address in country of residence in the Format as per Annexure-II which can be downloaded from the link given at the end of this communication. - Self-attested copy of Tax Residency Certificate (TRC) valid as on the date of payment of Dividend by the Company, obtained from the tax authorities of the Country of which the Shareholder is a resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided. - Form 10F electronically uploaded on the income tax portal– www.incometax.gov.in. - Self-declaration by Shareholder of meeting tax treaty eligibility requirement and satisfying beneficial ownership requirement as on the declaration of dividend in the format attached herewith as Annexure – III which can be

			<p>downloaded from the link given at the end of this communication.</p> <p>- For FIIs/FPIs, self-attested copy of Registration Certificate issued by SEBI</p> <p>Please note that Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction from dividend amounts. Application of beneficial Tax Treaty rates shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Shareholders.</p>
2	Availability of Lower/Nil tax deduction certificate issued by Income Tax Department U/s 195/ 197 of Income Tax Act, 1961	Rate specified in certificate	Lower /Nil tax deduction certificate issued by Income Tax Authority

TDS to be deducted at higher rate in case of non-filers of Return of Income

In case of Shareholders, who have not filed their return of income and are Specified Person as defined below, tax will be deducted at the rate of 20%.

The 'Specified Person' means a person who has:

- a) Not filed return of income for the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income prescribed under section 139 of the Act has expired; and
- b) Subjected to deduction and collection of tax at source in aggregate amounting to ₹ 50,000/- or more in the aforesaid year.

The Non-resident who does not have the permanent establishment in India is excluded from the definition of 'Specified Person'.

To comply with the requirements of the aforesaid Section 206AB, please confirm whether you fall in the category of specified person, as mentioned in the said section, in the format as per Annexure- I, which can be downloaded from the link given at the end of this communication.

Notes:

1. 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.

2. In case tax on Dividend is deducted at a higher rate in the absence of receipt of the aforementioned complete details / documents, Shareholder still has an option of claiming refund of the excess tax deducted at the time of filing his income tax return by consulting his tax advisor. **No claim shall lie against the Company for such taxes deducted.**
3. All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.
4. For all self-attested documents, Shareholders must mention on the document "certified true copy of the original". For all documents being provided by the Shareholder, the Shareholder undertakes to send the original document(s) on the request by the Company.
5. Above communication on TDS sets out the provisions of Income Tax Act, 1961 as applicable in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. This communication shall not be treated as an advice from the Company. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
6. Shareholders will be able to view the tax deducted at source on Dividend income paid to them by the Company from Income Tax Department's website <https://www.incometax.gov.in> (refer to Form 26AS).
7. Application of TDS rate is subject to necessary verification by the Company of the Shareholder details as available in Register of Members as on Record date, and other documents available with the Company or its Registrar and Transfer Agent i.e MCS Share Transfer Agent Ltd. (*Unit: JK Paper Limited*), F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 (Contact Person: Mr. Ajay Dalal, Tel. No. 011-41406149-52) / E-mail: admin@mcsregistrars.com (RTA).
8. 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 Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
9. **All the aforesaid requisite Annexures, Forms such 15G/15H/10F, documents/certificates/order/notification/circular, etc. issued under sections 195/196/197/197A of the Income Tax Act, 1961, Registration Certificate, Tax Residency Certificate, Lower Tax certificate, etc. can be provided to the Company addressed to Company Secretary, JK Paper Limited, Gulab Bhawan, 3rd Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi 110002 or at sharesjkpaper@jkm.com, by Wednesday, 15th February 2023 to enable the Company to determine the appropriate TDS / withholding tax rate applicable.**
10. **In the event the Dividend income as on the Record date, is assessable to tax in the hands of a person other than the registered Shareholder (viz., the shares are held by a clearing member, broker etc. on behalf of the actual beneficial owner), such registered shareholder (i.e. the said clearing member, broker etc.) is required to furnish to the Company on or before Wednesday, 15th February 2023, a declaration containing the name, address, residential status and PAN of the actual beneficial owner to whom TDS credit is to be given, and reasons for giving credit to such person.**

No request in this regard will be considered by the Company after Wednesday, 15th February 2023.

OTHER IMPORTANT INFORMATION

- (a) SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit/update their PAN with the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit/update their PAN with the Company or its RTA after following the procedure prescribed by SEBI.
- (b) To receive the Dividend and all communications / Annual Reports / Notices in electronic mode, Shareholders holding Shares in electronic form **are requested to register / update their complete bank details and e-mail address** with their DPs. Shareholders holding Shares in physical form are requested to submit/update the above information with the Company or its RTA after following the procedure prescribed by SEBI.
- (c) The Annexures/ Forms stated in this email may be downloaded from the link <https://jkpaper.com/investor-services/>

We seek your co-operation in the matter.

Warm Regards,
Deepak Gupta
Company Secretary
JK Paper Limited