



# JK PAPER LTD.

CIN: L21010GJ1960PLC018099

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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 JK Paper Limited ('the Company') at its meeting held on 16<sup>th</sup> May, 2024 has recommended payment of dividend of ₹ 5 per equity share of ₹ 10 each (50%) subject to the approval of the Shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend will be paid within four weeks of the date of the AGM to the Shareholders whose names are borne on the Register of Members of the Company as on the Record date (to be announced in due course, which will be available at the websites of BSE and NSE where the shares of the Company are listed) 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 received from the Depositories for this purpose.

Pursuant to the amendments introduced in the Income-Tax Act, 1961 ('the Act') vide Finance Act, 2020, dividend paid on or after 1<sup>st</sup> April, 2020, shall be taxable in the hands of the Shareholders and the Company shall be required to deduct tax at the prescribed rates on the dividend paid to its Shareholders. The TDS rate would vary depending on the residential status, category of the Shareholder and is subject to correctness of requisite declarations/documents submitted with the Company/Registrar. **However, no tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend payment for the Financial Year ('FY') 2024-25, does not exceed ₹ 5,000/-.**

Shareholders are requested to take note of the TDS rates and submit declaration(s)/document(s), if any, with the Company/Registrar by **Friday, 16<sup>th</sup> August, 2024** for their respective category, in order to comply with the applicable TDS provisions. The rate of TDS & document(s)/declaration(s) to be submitted by different category of Shareholders are given in table below:

**A. RESIDENT SHAREHOLDERS:**

**A.1 Tax Rate & documents/declaration required to be submitted by the Resident Shareholders (other than resident individual shareholders, to whom dividend payment during the FY 2024-25, does not exceed ₹ 5,000).**

S. No.	Particulars	TDS rate	Declaration(s) / document(s) required
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or with Registrar and Transfer Agent ('RTA') in case shares are held in physical form.	10%	No documents required (if no exemption is sought).
2	No/Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or with RTA in case shares are held in physical form.	20%	No documents required (if no exemption is sought).
3	PAN is not linked with Aadhar (in case of an individual shareholder) by the date of AGM	20%	The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT) and deduct tax accordingly.
4	Shareholder is a "specified person" as defined in section 206AB of the Income Tax i.e. has not filed the return for FY 2022-23 within the permissible time limit and was subjected to TDS/ TCS of ₹ 50,000 or more in the said FY.	20%	The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT) and deduct tax accordingly.
5	Lower/nil tax rate deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in certificate issued by Income Tax Department	Copy of lower/nil tax rate deduction certificate valid for FY 2024-25 issued by Income Tax Department
6	Benefits under Income Tax Rule 37BA	Rates based on applicability of Income Tax Act, 1961 to	If the registered shareholder e.g. Clearing Member / intermediaries / stock brokers are not the beneficial

		the beneficial owner	shareholders of the shares and if the declaration under Income Tax Rule Form 37BA(2) is provided regarding the beneficial owner, the TDS / Withholding tax will be deducted at the rates applicable to the beneficial shareholders.
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A.2 **No Tax will be deducted from 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	Particulars	Declaration(s)/ document(s) required
1	Shareholder submitting Form 15G/ 15H	Duly signed Form No. 15G (applicable to an Individual) / Form 15H (applicable to an Individual aged 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 and legibly filled up. The Company may at its sole discretion, reject the forms, if they does not fulfill the requirements of law.
2	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc.	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	Shareholders 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.	Self-declaration by Mutual Funds that they are specified under Section 10 (23D) of the Income Tax Act, 1961 along with self- attested copy of PAN card and SEBI registration certificate. Certificate/declaration under relevant statute from other Shareholders in support of their claim for non-deduction of tax from payment of dividend.
4	Category I and II Alternative Investment Fund (AIF)	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.

5	<ul style="list-style-type: none"> <li>• Recognised Provident Funds</li> <li>• Approved Superannuation Funds</li> <li>• Approved Gratuity Funds</li> </ul>	<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> <p>(iii) Self Attested Copy of PAN card.</p>
6	National Pension Scheme	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.
7	Any other entity entitled to TDS exemption	Documentary evidence substantiating the entitlement to TDS exemption under relevant provision of the Income Tax Act.

**B. NON-RESIDENT SHAREHOLDERS:**

S. No.	Category	TDS rate	Declaration(s) / document(s) required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax rate provided under Treaty, whichever is beneficial	<p>FIIs/FPIs/ Other Non-resident Shareholders may opt for tax rate under Tax Treaty. The Tax Treaty rate shall be applied for deduction of TDS on submission of following documents to the Company/RTA:</p> <ul style="list-style-type: none"> <li>• Self-attested copy of the PAN Card, if any, allotted by the Indian Income Tax authority. 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.</li> <li>• Self-attested copy of Tax Residency Certificate (TRC) valid for the period from April, 2024 to March, 2025 issued by the tax authorities of the Country of which the Shareholder is a resident.</li> </ul>

			<ul style="list-style-type: none"> <li>• Electronically uploaded Form-10F on the Income Tax Portal of Indian Tax Authority.</li> <li>• Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (for the period April, 2024 to March, 2025) in the format attached herewith as Annexure - IV which can be downloaded from the link given at the end of this communication.</li> <li>• For FIIs/FPIs, self attested copy of Registration Certificate issued by SEBI</li> </ul> <p>Please note that Company is not obligated to apply the beneficial Tax rate provided under Treaty at the time of tax deduction on dividend amounts. Application of beneficial Tax Treaty rates shall depend upon the completeness and satisfactory on review by the Company of the documents submitted by Shareholders.</p>
2	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax rate provided under treaty Whichever is beneficial	<p>To avail beneficial rate of tax provided under treaty following documents would be required:</p> <ol style="list-style-type: none"> <li>1. Copy of PAN card issued by Indian Income Tax Authorities, if any.</li> <li>2. Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year in which dividend is received.</li> <li>3. Electronically uploaded Form-10F on the Income Tax Portal of Indian Tax Authority.</li> <li>4. Self-declaration for no permanent establishment / fixed base in India.</li> </ol> <p><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></p>
3	Lower/Nil rate tax deduction certificate issued by Income Tax	Rate specified in Lower tax rate certificate issued by	Copy of lower tax rate certificate issued by Income Tax Department

	Department u/s 197 of the Act	Income Tax Department	
4	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) of Income Tax Act, 1961 obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India. In case above documents are not made available, then Withholding tax will be at 40% (plus applicable surcharge and cess).
5	Non Resident who have a permanent establishment in India and covered under the definition of "Specified person" as per section 206AB of Income Tax Act i.e. has not filed the returns for FY 2022-23 within the permissible time limit and was subjected to TDS/ TCS of ₹ 50,000 in the said FY.	Twice the applicable rate	The Company shall verify the status at Compliance Check functionality provided by the Central Board of Direct Taxes (CBDT).
6	Any other entity entitled to TDS exemption	NIL	Documentary evidence substantiating the entitlement to TDS exemption under relevant provision of the Income Tax Act.
7	Benefits under Income Tax Rule 37BA	Rates based on the applicability of Income Tax Act, 1961 / DTAA (whichever is beneficial) to the beneficial owner	If the registered shareholder e.g. Clearing Member / intermediaries / stock brokers are not the beneficial shareholders of the shares and if the declaration under Income Tax Rule Form 37BA(2) is provided regarding the beneficial owner, the Withholding tax will be deducted at the rates applicable to the beneficial shareholders. The documents as mentioned against S. No. 1 to 4 in column 4 will be required in addition to the above declaration

## 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 their income tax return by consulting tax advisor. No claim shall lie against the Company for such excess deduction of tax.
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) at 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. The Company will arrange to send copy of the TDS certificate at the Shareholder's registered email ID/address in due course. Shareholders will also 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://incometaxindiaefiling.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 the Record date to be announced in due course, 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, 1<sup>st</sup> 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 on the Company 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 as 15G/15H, documents/ certificates/ orders / notification/circular, etc. issued under sections 195/196/197/197A of the Income Tax Act, 1961, Registration Certificate, Tax Residency Certificate, Lower Tax rate certificate, etc. can be submitted with the Company addressed to Company Secretary, JK Paper Limited, Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi 110002 or at [sharesjkpaper@jkmail.com](mailto:sharesjkpaper@jkmail.com), by Friday, 16<sup>th</sup> August 2024 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 the date of AGM, a declaration containing the name, address, residential status and PAN of the actual beneficial owner to whom TDS credit is to be given, and reason for giving credit to such person as provided under the Rules of the Income Tax Rules. No request in this regard will be considered by the Company after the date of AGM.

## **OTHER IMPORTANT INFORMATION**

11. All the individual shareholders are advised to immediately link the Aadhar with PAN to avoid their PAN becoming inoperative and be subject to deduction of tax at higher rate of 20% on dividend payments to be made by the Company.

12. As per SEBI Master Circular dated 7<sup>th</sup> May, 2024 as amended, shareholders holding shares in physical form shall be eligible for payment of dividend (including outstanding dividend payments) only through electronic mode with effect from 1<sup>st</sup> April, 2024 provided that their folios are KYC compliant i.e., have furnished their PAN, Address with PIN Code, Mobile Number, Bank Account details and Specimen Signatures. It is also advised to update Nomination Details at the earliest.
13. 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/RTA.
14. 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.
15. The Annexures/ Forms stated in this email may be downloaded from the link <https://jkpaper.com/investor-services/>
16. 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.

We seek your co-operation in the matter.

Thanking You,  
**Deepak Gupta**  
Company Secretary  
JK Paper Limited