

JKCL/CS/SE/2023-24

5th July,2024

BSE Ltd. Corporate Relationship Department, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001 Scrip Code: 532644 (ISIN.INE 823G01014) Through: BSE Listing Centre	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla, Complex, Bandra (E), Mumbai-400051 Scrip Code: JKCEMENT Through: NEAPS
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Dear Sir/Ma'am,

Sub: Intimation of Tax Deduction on Dividend-sent to shareholders

Pursuant to the applicable provisions of Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f 01.04.2020. In this regard, enclosed please find email communication sent to all the shareholders of the Company, whose email IDs are registered with the Company/RTA/ Depositories, on the subject cited above.

This information is also uploaded on the website of the Company: www.jkcement.com.

You are requested to take the aforesaid information on record and oblige.

Yours faithfully,

For J.K. Cement Ltd.



Shambhu Singh
Vice President & Company secretary
FCS 5836

Encl: as above

**Corporate Office**

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**JK SUPER
CEMENT**
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STRONG**
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WhiteMax X
White Portland CementJK CEMENT
WallMax X
White Cement Wall Putty**Manufacturing Units at :**

Nimbahera, Mangrol, Gotan (Rajasthan) | Muddapur (Karnataka)
Jharli (Haryana) | Panna, Ujjain, Katni (M.P.) | Balasinor (Gujarat)
Aligarh, Hamirpur, Prayagraj (U.P.)





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Email : Shambhu.Singh@jkcement.com Web : www.jkcement.com
CIN: L17229UP1994PLC017199

THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Date:04/07/2024

Dear Shareholder,

Communication to Shareholders - Deduction of Tax at Source on the amount of Dividend income from J. K. Cement Limited (The Company)

We are glad to inform you that the Board of Directors ("Board") of the Company at its meeting held on Sunday, 12th May, 2024, has recommended a **Final dividend of Rs. 20/- (Rupees Twenty only) per equity share of having nominal value of Rs. 10/- each i.e. 200% (including Rs. 5/- as special dividend)**, for the financial year ended 31st March, 2024.

This recommendation is subject to the approval of shareholders in the forthcoming 30th Annual General Meeting ("AGM") of the Company scheduled to be held on Friday, 19th July, 2024 and will be paid to those Members, whose names will register in the Company's Register of Members, as on close of business hours on Tuesday, 9th July, 2024 ("Cut-off date"). The aforesaid dividend, once approved by the shareholders, will be paid on and from Monday, July 22, 2024.

You may be aware, pursuant to the provisions of the Income Tax Act, 1961 ("the Act") read with the Finance Act, 2020, dividend paid or distributed by the Company on or after 01st April, 2020 shall be taxable in the hands of shareholders. Therefore, your Company is required to deduct tax at source (TDS) at the applicable rates at the time of payment of dividend to the shareholders.

Tax rates that are applicable to Shareholders depend upon their Residential status and classification as the provision of the Act. In case there are any changes in your information, you are requested to update records such as tax residential status, PAN and register your e-mail address, mobile numbers and other details or with your relevant Depositories through your Depository Participants in case you are holding shares in dematerialised form and if you are holding shares in physical mode, you are requested to furnish details to Company's Registrar and Transfer Agent, viz. NSDL Database Management Ltd. (NDML) by furnishing relevant ISR forms .

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Kindly note that the aforementioned documents should be emailed to tax.ndmlrta@ndml.in . You can also email the same to Shambhu.Singh@jkcement.com. No communication on the tax determination/deduction shall be entertained after 09th July 2024

This communication provides a brief on the applicable Tax Deduction at Source (TDS) provisions under the Act/Rules for Resident and Non-Resident shareholder categories

FOR RESIDENT SHAREHOLDERS

Tax will be deducted at source under Section 194 of the Act, @10% on the amount of dividend payable, unless exempt under any of the provisions of the Act. In case, shareholders do not have PAN / invalid PAN/ PAN not linked with Aadhar/ not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act or as per the applicable law.

However, in case of individuals, TDS would not apply if the aggregate (by clubbing PAN) of total dividend distributed to them by the Company during the financial year does not exceed Rs.5,000/- (Rupees Five Thousand only).

Tax at source will also not be deducted in cases where a shareholder provides Form No.15H (applicable to individual above the age of 60 years)/Form No.15G (applicable to other individuals) provided that the eligibility conditions are met. Blank Form No. 15G and Form No. 15H can be downloaded from RTA's website.

<https://www.ndml.in/forms.php#rta> or Company's

website:https://www.jkcement.com/frontTheme/pdf/information_required_on_tds_form15g_h10f_and_self_declaration.pdf

Please note that all fields mentioned in the forms are mandatory and the Company may reject the forms submitted, if not filled correctly & duly signed by the shareholders.

NIL/lower tax will be deducted on dividend payable to the following categories of resident shareholders, on submission of self-declarations:

i. Insurance companies:Self Declaration (refer format) that it has full beneficial interest with respect to shares owned by it along with self-attested copy of registration certificate and PAN card;

ii. Mutual Funds: Declaration (refer format) by the mutual fund eligible for exemption u/s 10(23D) of the Act along with self-attested copies of the registration documents and PAN card;

iii. Alternative Investment Fund ("AIF") established in India: Declaration (refer format) that the shareholder is eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self-attested registration documents and PAN card should also be provided;

iv. New Pension System Trust: Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;

v. Other shareholders: Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card;

vi. Finance company, Finance Unit and broker dealer located in Indian Financial System Code 'IFSC': Declaration along with self-attested registration certificate and PAN card.

vii. Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower/nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration (refer format).

FOR NON-RESIDENT SHAREHOLDERS (including Foreign Institutional Investors and Foreign Portfolio Investors):

Tax is required to be withheld in terms of the provisions of Sections 195 and 196D of the Act, at applicable rates in force. As per the relevant provisions of the Act, tax shall be withheld @20% (plus applicable surcharge and cess) on the amount of dividend payable. However, in terms of Section 90 of the Act, non-resident shareholders have the option to be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if the DTAA provisions are more beneficial. To avail the tax treaty benefits, non-resident shareholder(s) will have to provide the following:

- i.** Self-attested copy of PAN card, if allotted by the Indian Income Tax Authorities;
- ii.** Self-attested copy of Tax Residency Certificate ("TRC") obtained from the Tax Authorities of the country of residence of the shareholder. If the TRC is furnished in a language other than English, it should be translated to English, duly notarized and apostilled.;
- iii.** Self-declaration in E- Form No. 10F (duly uploaded on income tax portal), if all the details required in this form are not mentioned in the TRC;
- iv.** Self-declaration (refer format) by the non-resident shareholder of meeting the treaty eligibility requirements and satisfying beneficial ownership requirement (Non-resident having PE in India need to comply with the provisions of section 206AB of the Act);
- v.** In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.

The formats and declarations can be downloaded from the RTA's website viz.

<https://www.ndml.in/forms.php#rta> or Company's website

https://www.jkcement.com/frontTheme/pdf/information_required_on_tds_form15g_h10f_and_self_declaration.pdf

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company and completeness of the documents submitted by non-resident shareholders and meeting the requirements of the Act, read with the applicable tax treaty. It must be ensured that self-declaration should be addressed to J. K. Cement Limited and must be in same format as attached. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of deducting tax on dividend

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

Pursuant to provisions of Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQs issued by Government on PAN Aadhar linking.

SECTION 206AB OF THE ACT:

Rate of TDS u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as "specified persons"). U/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the 'specified persons':

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%

In cases where both, Sections 206AA of the Act (higher rate of TDS at 20% in no PAN cases) and 206AB (non-filer of tax returns) are applicable to a shareholder, tax will be deducted at higher of the two rates prescribed in these sections. The non-resident who does not have the permanent establishment is excluded from the scope of a 'specified person'.

The Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act (as per the Central Board of Direct Taxes Circular No.11 of 2021 dated 21st June 2021).

To summarise, dividend will be paid after deducting tax at source as under:

1. NIL for resident shareholders (individuals) receiving dividend upto Rs. 5,000 or in case duly filled up and signed Form No. 15G/15H (as applicable) along with self-attested copy of the PAN card is submitted.
2. 10% for other resident shareholders in case copy of PAN card is provided/ available.
3. 20% for resident shareholders if copy of PAN card is not provided/not available.
4. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
5. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
6. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above mentioned rates will be subject to availability of Section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration (refer format) with the Company in the manner prescribed in the Rules.

The above mentioned rates will be subject to availability of Section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration (refer format) with the Company in the manner prescribed in the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. 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, provide the Company with all information / documents and cooperation in any appellate proceedings.

For shareholders having multiple accounts under different status / category

Shareholders holding Ordinary 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.

No claim shall lie against the Company for such taxes deducted. UPDATE OF BANK ACCOUNT DETAILS:

UPDATE OF BANK ACCOUNT DETAILS:

While on the subject we request you to submit/update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled Cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested with NDML. This will facilitate receipt of dividend directly into your bank account. In case the cancelled Cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

The shareholders holding shares in physical folios are requested to note that SEBI vide its Master Circular no. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/37 dated 07th May, 2024 issued to the Registrar & Transfer Agents and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023, as amended, has mandated that effective 01st April, 2024, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode if they have furnished their PAN, Contact Details, Bank Account Details and Specimen Signature for their corresponding physical folios to the Company or with the Company's R&T Agent i.e. NDML.

We seek your co-operation in the matter

Thanking you,

**Yours faithfully,
For J. K. Cement Limited**

**Shambhu Singh
Vice President & Company Secretary
(FCS: 5836)**

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the shareholders are advised to consult their tax consultant with respect to specific tax implications arising out of receipt of dividend

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